

# **NAVAL POSTGRADUATE SCHOOL**

## **Monterey, California**



## **THESIS**

**AN ANALYSIS OF THE EFFECT THE ENLISTED GRADE  
STRUCTURE REVIEW HAS UPON FIRST TERM ALIGNMENT  
PLAN RETENTION REQUIREMENTS**

by

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March 2003

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**AN ANALYSIS OF THE EFFECT THE ENLISTED GRADE STRUCTURE  
REVIEW HAS UPON FIRST TERM ALIGNMENT PLAN RETENTION  
REQUIREMENTS**

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Submitted in partial fulfillment of the  
requirements for the degree of

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## **ABSTRACT**

This analysis was conducted to determine whether the Enlisted Grade Structure Review (EGSR) has a significant effect on First-Term Alignment Plan (FTAP) retention requirements. It provides a background of first-term retention in the all-volunteer force by examining, not only the retention behavior of the United States military, but also the retention of Canadian and Australian military forces. Furthermore, it investigates elements of the Enlisted Career Force Controls Program. It provides an explanation of the pre- and post-EGSR skill grade flow rates and pay grade structure data used in the research. The current Marine Corps enlisted grade structure is compared to the proposed enlisted grade structure from the August 27, 2002 Officer and Enlisted Grade Structure Review to determine whether the EGSR affected FTAP retention requirements. The research found that the EGSR had a positive effect on FTAP. The EGSR changed many military occupational specialties to a logical pyramidal shape facilitating promotion opportunities. Marines will more likely remain on active duty when promotion opportunities are visible. Restructuring the enlisted billets into a pyramidal shape will support the Marine Corps' operating forces. Marine Corps operational readiness is increased when the number of Marines in the lower pay grades are available in sufficient numbers to support the next immediate pay grade. The research shows that a pyramidal shaped MOS structure naturally retains the required numbers to support the Marine Corps. Only retention-critical MOSs must still be supported by an SRB to ensure Marines are not drawn away from the Marine Corps by more lucrative offers in the civilian sector.

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## **I. INTRODUCTION**

The Enlisted Grade Structure Review (EGSR) is a five-month collaboration among manpower planners and Marine operational forces with the goal of creating pyramidal MOS grade shapes in the Table of Manpower Requirements.<sup>1</sup> The EGSR has a profound effect on the First Term Alignment Plan (FTAP)- the tool the Marine Corps uses to retain a predetermined number of high quality first-term Marines. The purpose of this research is to evaluate the impact of the Enlisted Grade Structure Review on First Term Alignment Plan retention requirements. To gain a better understanding of the implications of implementing the proposed grade structure, we examine the enlisted grade structure and the process of determining reenlistment billets within the Marine Corps. In addition to discussing the objectives and the intent behind grade shaping, we compare FTAP retention requirements with respect to the current enlisted grade structure and the proposed enlisted grade structure from the August 27, 2002 Officer and Enlisted Grade Structure Review. This research provides insight to Marine Corps planners in determining whether the EGSR's proposed billet assignments increase FTAP retention efficiency.

### **A. BACKGROUND**

The Marine Corps relies heavily on the leadership of experienced Marines to accomplish its complex missions. Retention of knowledgeable Marines is necessary to obtain the correct number of people with the proper skill level at the appropriate time in order to carry out organizational human resource needs.<sup>2</sup> If the quality of retained Marines does not match the quality of Marine FTAP billets, then the Marine Corps, as a whole, is less efficient resulting in reduced readiness in fulfilling its required missions.

Headquarters, Marine Corps, Manpower Plans Division uses recruiting and retention to shape the career force. Changes in first-term retention rates can significantly impact the ability of the Marine Corps to achieve its career manning goals. The success

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<sup>1</sup> The Table of Manpower Requirements is an automated system that captures and displays documents that describe organizational manpower requirements.

<sup>2</sup> United States Marine Corps. "FY02 First Quarter Enlisted Retention Update." Marine Administrative Message 045/02.

of meeting manning goals is particularly important since the military service is a closed system. In contrast to the civilian sector that can hire employees into their structure at any hierarchical level, the military has an internal labor market in which each individual starts at an entry-level position. Reduction in first-term retention rates can create a shortage of skilled personnel. The spillover effect from the shortage of experienced personnel produces an unwarranted demand on accession requirements. At least one additional contract must be written for each individual that is not retained.<sup>3</sup> Since the internal labor market of the Marine Corps prohibits lateral hiring of replacements into pay grades above E3, there can be a substantial wait-time between recruitment and replacement.

According to Marine Administrative Message 556/02, the Marine Corps implemented the Enlisted Career Force Controls (ECFC) Program in 1985 to ensure Marines of the appropriate grade and military occupational specialty (MOS) fill FTAP retention requirements.<sup>4</sup> The objectives of the ECFC are to more efficiently manage the ever-increasing number of the career force; shape the inventory of Marines by MOS and grade to Marine Corps' requirements; and control retention in order to provide an equal promotion opportunity across all MOS's. Table 1 shows the time in service (TIS) promotion targets for sergeants through sergeants major.

**TABLE 1. PROMOTION TARGETS**

<b>Pay Grade</b>	<b>Average Time In Service</b>
E-5	4 Years
E-6	8.5 Years
E-7	13 Years
E-8	17.5 Years
E-9	22 Years

Source: From Marine Administrative Message 556/02

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<sup>3</sup> Sean A. Kerr, "Retention of First-Term and Second-Term Marine Corps Enlisted Personnel." p 1.

<sup>4</sup> Marine Corps Administrative Message 556/02.

The EGSR and the FTAP are two of the various programs and policies that support the ECFC objectives. The EGSR is conducted to ensure that each MOS has a logical pyramidal shape that facilitates equal promotion opportunity in a timely manner across the Marine Corps. The EGSR determines, by MOS, the number of billets in each pay grade. Based upon the career force structure requirements and estimated inventory, the FTAP is a fiscal year manpower plan that specifies the number of first term Marines by primary MOS (PMOS) the Marine Corps must reenlist to become part of the career force. Each year since the inception of the FTAP, the Marine Corps has experienced a minor rise in the number of first term Marines to be retained for transition into the career force. As the career force increases in size relative to the total force, the Marine Corps must not only increase its Manpower budget, but also examine the implications of an older and potentially less mobile force.<sup>5</sup>

Fiscal Year 2002 marks the ninth consecutive year the Marine Corps has reenlisted in excess of the required number of Marines to sustain the career force.<sup>6</sup> The Marine Corps' Quality Reenlistment Program<sup>7</sup> takes into account those Marines who are reenlisted in excess of FTAP billets. This program allows the Personnel Management Division Director to retain top performing Marines and acknowledges the inaccuracy of the planning process.

**TABLE 2. BY YEAR COMPARISON OF REENLISTMENT**

	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Reenlistment population	20,943	22,072	24,000	21,824	23,029	21,977
FTAP Billets	4057	4296	4600	4634	5480	5791
Reenlistment (%)	19.4	19.5	19.2	21.5	23.8	26.6
Actual Reenlisted	4061	4300	4615	4709	5481	5846
Actual Reenlisted (%)	100.10	100.09	100.33	101.62	100.02	100.95

Source: Annual Report to the President and the Congress, Years 1998 – 2000.

<sup>5</sup> This is an area for future research.

<sup>6</sup> Garry L. Parks. "Statement By Lieutenant General Garry L. Parks, United States Marine Corps Deputy Commandant For Manpower and Reserve Affairs Before The Military Personnel Subcommittee Of The Armed Services Committee." 13 March 2002. Navy Office of Information.

<sup>7</sup> Explained in Chapter 3, section 4, subparagraph d.

## **B. RESEARCH QUESTIONS**

During this thesis we address the following primary question: What is the functional relationship between the EGSR and the FTAP retention requirements? As the Marine Corps is dependent upon its ability to recruit, train, promote, and retain Marines, the Marine Corps must have more billets at lower pay grades than at higher pay grades. The Corps then uses two tools to shape each primary military occupational specialty (PMOS): (1) Marines exiting of their own volition; and (2) the EGSR which determines the number of FTAP billets. The results should be the typical pyramidal shape that dominates military labor markets. Those PMOSs that are not distributed according to a pyramidal shape warrant special attention.

We will address two secondary questions in this thesis. The first question is: *Why has the number of FTAP billets increased over time?* The required number of FTAP reenlistment billets has increased over the past eight years. If FTAP billets grow over time relative to the total force, the Marine Corps may age over time. Understanding why the number of FTAP billets has increased is important to understanding whether the recent grade structure review addresses this potential problem.

The second question is: *How does the EGSR affect the grade structure in military occupational specialties that are manned below stated requirements?* If the EGSR is working properly, we should observe a rapid response to those MOSs who are under (over) staffed. The EGSR should not only work quickly to address shortages and surpluses, but it should also address flaws in the pyramidal structure of MOSs. The goal of the EGSR is not to create “faces” for the “spaces” but to create a pyramid of “spaces” for the “faces.”

## **C. ORGANIZATION OF STUDY**

The remainder of this thesis is organized as follows. In Chapter II, we examine literature in manpower economics to gain a better understanding of the economic environment within which the Marine Corps operates. Included in this chapter is a discussion on social factors that affect military personnel retention. We discuss retention in the armed forces of the United States, Canada, and Australia. We investigate elements

of the Enlisted Career Force Controls (ECFC) Program in Chapter III. We discuss in detail the intent, purpose, and process of the EGSR, and the FTAP. We conclude with an examination of the FTAP model. In Chapter IV, we explain the pre- and post- EGSR skill grade flow rates and pay grade structure data used in this research. In addition, we discuss the impact of the EGSR on the FTAP retention requirements of thirteen MOSs that the Marine Corps deems critical. We conclude and offer policy recommendations in Chapter V.

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## **II. FIRST-TERM RETENTION IN ALL VOLUNTEER FORCES**

The Defense Manpower Data Center (DMDC) defines ‘retention rate’ as the percentage of personnel who reenlist or extend among those who reach a reenlistment or extension decision date within the 18-month period that begins at the start of the fiscal year. DMDC also defines reenlistment rate as “the percentage of personnel who make a new obligation of 25 months or more, relative to the population nearing the end of a service obligation and not extending.”<sup>8</sup> Therefore, retention includes those who reenlist or extend, and reenlistment includes only those who reenlist.

Retention, however, is dependent upon many factors, some of which are exogenous to Marine Corps retention policy. At the service level, national defense policy and priorities; the transformation of the force structure; relative pay and benefits to the civilian sector; and other factors influence not only the number of billets available for retention purposes but also the internal climate that influences a Marine’s decision to stay in the force. External conditions to include the overall state of the civilian economy; job opportunities in the civilian sector and the overall threat climate may also influence the retention decision. The objective of this chapter is to examine recruitment and retention policies in the United States and other countries. We pay specific attention to the enlisted recruitment and retention policies of the United State Marine Corps. We believe that this examination is necessary to provide a foundation for the analysis in subsequent chapters.

The structure of this chapter is as follows: In the first section, we discuss the internal labor market and how it influences the retention rate. In the next section, we compare the retention of all four branches of the United States military. Lastly, we will discuss retention of Australian and Canadian military forces.

### **A. MANPOWER ECONOMICS**

In this section we provide a brief overview of the workings of the internal labor market in an all-volunteer force. We first discuss the position of the armed forces relative

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<sup>8</sup> Arkes, Jeremy. “Military Recruiting and Retention After the Fiscal Year 2000 Military Pay Legislation.” RAND Corporation. 2002: 69.

to the civilian labor forces. We then briefly examine the impact of higher education on recruitment and retention. We conclude with the role of the military in the labor market.

The labor market consists of all the buyers and sellers of labor services. In 1998, the labor force participation rate<sup>9</sup> of approximately sixty-seven percent was substantially higher than the prevailing rate of approximately sixty percent prior to 1980.<sup>10</sup> We can conclude that more of the population of the United States was actively employed in the civilian sector in the 1990s relative to early periods in time. During this period we believe the external environment was not conducive to recruitment and retention efforts, as numerous opportunities existed in the civilian sector. The downsizing of the force compounded the negative impact of external economic conditions.

Since the volunteer armed force is the largest single employer of young men and women in the United States, it holds an important position in the American youth labor market. The military quickly declined in size in 1987 after a rapid increase in the early 1980s. Between 1989 and 1992, the number of accessions (new entrants) declined by twenty-seven percent. This reduction in force led to significant losses of employment opportunities.<sup>11</sup> This combination of internal and external forces increased the difficulty of recruiting young men and women, increasing the importance of retaining those servicemembers already on active duty.

## **1. Unemployment Rate**

The unemployment rate is defined as the ratio of those unemployed to those in the labor force. When the United States' unemployment rate is approximately five percent, the labor market is regarded as relatively "tight".<sup>12</sup> Overall, this indicates that jobs are plentiful and hard for employers to fill and that most of those who are unemployed can find work quickly. When this occurs, military retention decreases because there are more employment opportunities in the civilian sector.

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<sup>9</sup> Labor force participation rate equates to the labor force divided by the population.

<sup>10</sup> Ehrenberg and Smith, "Modern Labor Economics." 27-28.

<sup>11</sup> Angrist, Joshua. "Estimating the Labor Market Impact of Voluntary Military Service Using Social Security Data on Military Applicants." *Econometrica* 66 (1998): 249.

<sup>12</sup> Ehrenberg, Ronald G. and Robert S. Smith. "Modern Labor Economics: Theory and Public Policy." Addison Wesley. Seventh Edition. (2000): 28.



The private sector and the military compete for the same kind of high-aptitude high school graduates the military needs to fill its ranks as it advances towards a technological proficient future. In the 1990s, it was difficult to attract and retain high quality personnel. Table Three shows the annual average labor force data of the United States from 1990 to 2002. The acceleration in the economy throughout the 1990's, particularly from 1993, resulted in an increased opportunity for employment for young people outside the military.<sup>13</sup>

When the term “full employment” is used, it does not mean that each and every person seeking employment is gainfully employed at a specific point in time. Some percentage of the labor force can be expected to be unemployed at any given point in time due to structural<sup>14</sup> or frictional<sup>15</sup> conditions. Many economists believe that the full employment rate in the United States is between four and six percent of the labor force at any given point in time.

When the employment rate approaches the full employment rate, civilian labor market conditions can be characterized as “tight” or having insufficient slack to adjust to new demands for labor without significant increases in wages. In this environment, military wage growth may fall behind wage growth in the civilian sector; placing the military services at a disadvantage when attempting to recruit new talent and retain existing servicemembers. Conversely, when the external economic environment is poor, that is, the unemployment is relatively higher compared to past values, the military may have a plethora of individuals willing to join the service and remain in the service.

## **2. The Effect of College-Bound People on Retention**

Kilburn and Klerman (1999) argue that although the unemployment rate remains constant, another risk to military retention is the continual increase in financial benefits and earning potential that young people experience by attending college. The growth of

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<sup>13</sup> Kilburn, Rebecca and Jacob A. Klerman. “Enlistment Decisions in the 1990s: Evidence from Individual-Level Data.” RAND Corporation. 1999. 16.

<sup>14</sup> As the economy develops over time the type of industries may change as well, therefore structural unemployment occurs when the structure of industry changes.

<sup>15</sup> Frictional unemployment occurs when a person either loses their job or chooses to leave it and has to look for another one. Frictional unemployment refers to the time between jobs.

interest in higher education poses two choices for the military; either try harder to recruit from a smaller pool of high quality youths or accommodate an apparent shift toward higher education by offering education incentives.<sup>16</sup>

Kilburn and Klerman (1999) found that the rate of college attendance and aptitude scores among 18-19 year-olds grew dramatically between 1980 and 1992. In 1980, forty-six percent of the 18-19 year-old age group had enrolled in college. By 1992, the amount had increased almost thirty-three percent to over sixty-one percent. High school seniors were considered “higher quality” since the number of individuals scoring CAT I – IIIA on the Armed Forces Qualification Test (AFQT)<sup>17</sup> increased during the same period.<sup>18</sup>

According to Karoly and Klerman (1995), society’s view of young people’s work ethic after leaving high school is that they are “hanging out,” that is, they hold many different jobs until their mid-to-late twenties. The perceived high turnover rate discourages employers to hire people in this age category, in fear that they will soon quit leaving the company to train another individual. Karoly and Klerman also stated that it is good to change jobs if the change leads to a better fit for both the employee and the employer, but usually people find new jobs to receive more income.<sup>19</sup>

In summary, we argue that external factors that are beyond the control of the services influence recruitment and retention. We argue that there is an inverse correlation between the unemployment rate and retention rates; similarly between unemployment and recruitment. The increased rates of participation in higher education also appear to negatively influence recruitment and retention. While the services can alter their incentives (bonuses, educational opportunities) to induce (reduce) recruitment and retention, this is dependent upon the needs of the services. More specifically the EGSR and the resulting FTAP should acknowledge the internal and external environmental conditions and adjust incentives accordingly.

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<sup>16</sup> Ibid. p. 18.

<sup>17</sup> Armed Forces Qualification Test score table is provided in Appendix A.

<sup>18</sup> Ibid. p. 18.

<sup>19</sup> Karoly and Klerman. p.1.

### **3. Servicemembers' Commitment to Military**

Servicemembers must feel a sense of devotion to the military in which they currently serve in order to remain on active duty. Sixty-nine percent of the total active duty population consists of junior and mid-grade enlisted personnel. A recent survey of junior and mid-grade enlisted personnel found that only forty-two percent appear to be satisfied with the military way of life.<sup>20</sup> Thirty-eight percent of the population stated that basic pay would be the main reason for leaving the military. Among all four branches of service, an average of thirty-six point seven percent reported that they were not satisfied with the leadership quality. Sixty-five and seventy-five percent of servicemembers think total compensation and amount of family/personal time, respectively, is better in the civilian world than in the military.<sup>21</sup> Most servicemembers, in fact, did not plan on making the military a career when they first enlisted.<sup>22</sup> Another survey of servicemembers found that forty-seven percent did not know what they intended to do upon enlistment; twenty-six percent planned to leave after their first obligation; and twenty-seven percent planned to retire, but the study showed that only sixteen percent found some kind of commitment to stay.<sup>23</sup> We argue that servicemembers decide to remain in the military only if they feel either a sense of “staying power” or commitment to the organization.

When a servicemember decides to leave the military they lack the following qualities:

- A strong belief in or acceptance of the military's goals and values
- A willingness to put forth significant efforts on behalf of the military
- A definite desire to remain in the military<sup>24</sup>

Military retention rates are affected by servicemembers' satisfaction with the internal elements of the organization. When policymakers know what variables

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<sup>20</sup> “The Wild Card Effect and Military Retention.” Defense Manpower Data Center. p. 2.

<sup>21</sup> Ibid. p. 2.

<sup>22</sup> United States General Accounting Office. “Perceptions of Retention-Critical Personnel Are Similar to Those of Other Enlisted Personnel. p. 6.

<sup>23</sup> Ibid. p. 6.

<sup>24</sup> “The Wild Card Effect and Military Retention.” Defense Manpower Data Center. p. 4.

negatively influence a servicemember's decision to leave the military; they can tailor their retention messages and aim retention program incentives to counteract these variables.

## **B. A SURVEY OF RETENTION IN THE UNITED STATES MILITARY FORCES**

With the collapse of the Soviet Union and the apparent end of the Cold War, the justification for maintaining a large active-force appeared to collapse as well. Policymakers began to argue what to do with the peace dividend, that is, the savings resulting from a massive reduction in the size of the Defense Department's budget.

In response to the end of the Cold War, a reduction in force began in 1992. Total active duty strength declined from 1,985,550 in 1991 to 1,413,577 in 2002. As total active duty strength declined, the number of new entrants declined accordingly. During this period, retention policy was, we argue, more often used to reduce the force rather than as a tool of managing total manpower within each MOS. After the drawdown in end strength that appeared to end in 1999, retention became an even more important manpower management tool, as the pool of trained personnel in the internal labor market was much smaller.

Attrition affects retention such that when attrition is high, the prerequisite standard of quality for those servicemembers who are retained is lowered. Provided accession targets remain constant, in order to accomplish retention goals, the quality standard is lowered because the military is pressured into retaining the same number of service members from a smaller population pool. Not all service members who attrit are of lesser quality; some are high quality that leave the military force for reasons beyond their control, such as medical or family problems.

Retention has been an ongoing problem for all services since FY97. The Army and the Marine Corps seem to have less of a retention problem than the Navy and Air Force. Military manpower analysts believe three factors contributed to these problems: a robust civilian economy; a post-Cold War increase in peacetime deployments; and the management of the defense drawdown. First, the latter half of the 1990s provided attractive employment opportunities for servicemembers, especially for those who were

well-educated or possessed highly technical skills. In certain civilian industries such as the airline industry, the heightened demand for trained workers had an adverse effect on military retention. Secondly, the increased number of peacetime deployments after the Cold War took service members away from their families. This caused undue stress on family members. Lastly, by reducing accessions and retention of junior enlisted personnel, mismanagement of human resources during the drawdown of the early 1990s reduced end-strength by 33 percent. This meant that a larger portion of the smaller cohort had to be retained.<sup>25</sup> The retention rates from 1993 to 1996 were comparable to the rates in the 1970s after the Vietnam War downsizing, which was the lowest ever recorded.<sup>26</sup>

The following four sections discuss retention and reenlistment rates of each branch of the U. S. military and how each one defines retention-critical occupational fields.

## **1. Army**

The Army Retention Program is a crucial component to manning the Army's warfighting units and meeting end-strength. The Deputy Chief of Staff for Personnel determines retention aims. Retention objectives are issued to major commands on a quarterly basis that, in turn, issue the objectives to their subordinate commands. These aims primarily focus on the Army's initial and mid term soldiers who have not made the decision or commitment for a full twenty-year career with additional emphasis on soldiers who have an expiration term of service within the current fiscal year.<sup>27</sup>

The Army defines retention as a process designed to sustain the military with qualified and experienced personnel in order to reduce attrition and support the National Military Strategy.<sup>28</sup> The Army's first-term retention rate was approximately forty percent in FY96-97, and decreased to thirty-eight percent in FY99 and FY00. In FY01,

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<sup>25</sup> Arkes, Jeremy. "Military Recruiting and Retention After the Fiscal Year 2000 Military Pay Legislation." RAND Corporation. 2002: p. 67-69.

<sup>26</sup> Abstract Cutoff. p. 1-2.

<sup>27</sup> <http://www.perscom.army.mil/Enlist/guide.htm>

<sup>28</sup> Army Career Management Field-79, Chapter 28.

the Army stated that it had met all of its enlisted retention goals for the last three consecutive years.<sup>29</sup>

In certain skills, the Army continues to have a shortage of sergeants. To rectify this problem the Army implemented the Special Military Occupational Specialty (MOS) Alignment Promotion Program on October 1, 1999. This program allows E-4s who are promotable and serving in an MOS that has a low promotion rate compared to other MOSs, the opportunity to reenlist for the retraining option or to request reclassification into a selected MOS. After completion of training and the designation of the new MOS, the soldier is promoted on the first day of the month following the completion of training.<sup>30</sup>

The Army deemed the 12 occupations listed in Table Four as critical to retention.<sup>31</sup> These occupations are usually staffed at ten percent below the Army average by grade and occupation.<sup>32</sup> Therefore, in order to help keep soldiers who are currently serving in critical-retention MOSs on active duty, the Army has several programs to help retain its enlisted force:

*a. Excellence in Retention Program (ERP)*

Implemented on January 1, 1992, the Excellence in Retention Program (ERP) is designed to retrain soldiers who are approaching their end of active obligated service and are serving in an overstrength military occupational specialty (MOS). Once an MOS is recognized as overstrength, the Reenlistment Management Branch submits a request to the career management field analyst in Training Division to provide planned authorizations and operating strengths for each MOS by skill level and aggregate.<sup>33</sup>

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<sup>29</sup> Arkes, Jeremy. "Military Recruiting and Retention After the Fiscal Year 2000 Military Pay Legislation." RAND Corporation. 2002: 70.

<sup>30</sup> <https://www.perscom.army.mil/Enlist/guide/htm>

<sup>31</sup> GAO Report 2001.

<sup>32</sup> "Perceptions of Retention-Critical Personnel Are Similar to Those of Other Enlisted Personnel." United States Government Accounting Office. June 2001: 21.

<sup>33</sup> "Excellence in Retention Program." January 15, 2003.  
<<http://www.perscomnd04.army.mil/milpermsgs.nsf>>

***b. Selective Reenlistment Bonus (SRB)***

The MOS designated for the SRB is announced by message from the Commander of Personnel Command. The SRB program is a retention incentive paid to soldiers in particular MOSs who reenlists for a minimum of three years. The objective of the program is to increase the number of reenlistments in critical MOSs that do not have adequate retention levels to man the career force. The Department of the Army can pay soldiers up to six times their monthly pay at discharge, times the number of additional obligated years of service up to \$20,000. The Army has three zones for which it pays its soldiers: Zones A, B, and C. A qualified soldier is paid an SRB only once within each eligibility zone. In contrast, soldiers reenlisting for Indefinite Status do not receive an SRB.<sup>34</sup>

***c. Bonus Extension and Retraining (BEAR)***

The term “reclassification” is any action that changes a soldier’s Primary Military Occupational Specialty (PMOS). The general categories in which a soldier can be reclassified are voluntary; mandatory/involuntary; fast track/branch initiative; and Department of the Army-directed. The main difference in reclassifying categories is the processing method necessary to reach a decision. For instance, voluntary reclassification, along with fast track/ branch initiatives is an assignment from an “overage” (an MOS that has too many soldiers) to a “shortage” (an MOS that has too few soldiers). The hierarchy for determining a new MOS is within the soldier’s current career management field, career branch, career division and then the needs of the Army. To be reclassified under Department of the Army-directed, a decision to determine the new MOS each soldier is reclassified into is required. The soldier is then retrained in the new MOS. The eligibility for MOS training and PMOS reclassification is based on each soldier’s qualification as defined by regulatory policy.<sup>35</sup>

***d. Broken Service Selective Reenlistment Bonus (BSSRB)***

This program became effective April 1, 1988 with the objective to increase the level of mid-career soldiers in specific MOSs that possess retention-critical

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<sup>34</sup> United States Army Publishing Agency. “Army Retention Program.” Document Number AR 601-280. <[http://books.usapa.belvoir.army.mil/cgi-bin/bookmgr/BOOKS/R601\\_280/5.5](http://books.usapa.belvoir.army.mil/cgi-bin/bookmgr/BOOKS/R601_280/5.5)>

<sup>35</sup> “The Army Retention Program.” <http://www.perscom.army.mil/Enlist/guide.htm>.

skills. The bonus is offered to prior service Army soldiers who were qualified in the bonus skill immediately prior to their last discharge or release from active duty. The soldier must also agree to reenter the Army in that skill. The BSSRB does not contain all MOSs in the SRB program, yet it mainly targets Special Forces, military intelligence and high technological MOSs. In some instances, the multiplier level is one level lower than those listed for the current SRB program.<sup>36</sup>

## **2. Navy**

The Navy has stated that since these cohorts are smaller as a result of the drawdown, it needs to increase its rate of retention among junior and mid-career personnel, yet the Navy claims that it has made great achievement over its retention problem. The Navy's retention rate was 33 percent in FY95, then increased to around 37 percent in the late 1990s, and increased again to 43 percent in FY00. The increase in the Navy's retention rate reflects the effects of a widened Navy Selective Reenlistment Bonus (SRB) Program implemented in the late 1990s. Other than the increase from 32 percent in FY97 to 35 percent in FY98 and to 33 percent in FY99, the first-term reenlistment rate remained fairly stable over FY95-99.<sup>37</sup>

The Navy defines retention-critical occupations as "any occupation filled significantly below authorized levels, traditionally hard to fill, difficult to train, strategic due to skills required, and having the greatest number of opportunities in the private sector." Table Five shows the 10 occupations the Navy deemed critical to retention (GAO Report 22).

The Navy's Center for Career Development (CCD) conducts retention "Best Practices" briefings during command visits and retention summits throughout its force. The briefs are designed to share ideas and procedure developed by commands which have made major steps toward the reduction of attrition while increasing retention. The CCD compiled the below list of best practices from sailors' ideas in the fleet:

- Promote retention team interaction among commanding officers/ executive officers; command master chiefs/ command career counselor; department

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<sup>36</sup> Ibid.

<sup>37</sup> Asch 69-70.



heads/ leading chief petty officers/chief petty officer and the OMBUDSMAN (an individual who compiles concerns for enlisted personnel and relates it to the commanding officer)

- Encourage commanding officers to periodically participate in professional development boards
- Encourage commanding officers to make personal contact with members who are tentative in their career decision
- Encourage commanding officers to write a letter to a spouse or parent of a sailor who is still undecided about a career choice. This will enhance the communication line between the command and the spouse or parents.
- Push the reenlistment forms down to the sailor and have them either accept or deny it.<sup>38</sup>

Just as the Army has an SRB program, so does the Navy. According to OPNAVINST 1160.6A, the Navy's SRB program is used to increase the number of reenlistments in ratings and Navy Enlisted Classification (NEC) codes having insufficient supply of personnel. At least every six months, the Navy reviews its ratings/ NECs to determine which one is authorized an SRB. As retention improves in an NEC or rating, the award levels are reduced or eliminated to make more SRB funds available for other ratings.<sup>39</sup>

Another program the Navy has is the Location Selective Reenlistment Bonus (LSRB). This program provides an additional SRB award level to sailors who are SRB-eligible and receive orders to designated locations. An individual who is not eligible for an SRB could accept orders to an LSRB location and qualify for an LSRB award. The award is applied to the entire length of the enlistment contract, and the servicemember must complete the entire tour of duty for the location.<sup>40</sup>

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<sup>38</sup> "Retention Best Practices from the Fleet " United States Navy Administrative Message 028/01.

<sup>39</sup> OPNAVINST 1160.6A. May 28, 1987. Department of the Navy. Office of the Chief of Naval Operations.

<sup>40</sup> "Location Selective Reenlistment Bonus (LSRB)." United States Navy Administrative Message 301/02.

### **3. Air Force**

The Air Force retained 89 percent of its eligible personnel in FY96, which was an increase of three percentage points over FY95.<sup>41</sup> From FY95 to FY99, the Air Force witnessed a decline in its first-term retention. As shown in Table Eight, their retention rate fell by five percentage points, and reported first-term retention rates well below target in FY97 through FY99. In comparing retention and reenlistment rates in Tables Eight and Nine respectively, the Air Force first-term reenlistment rate fell by more than what the retention rate fell by. This means more people extended than reenlisted during these years. The second quarter of FY01 marked the first time the Air Force met its retention goal since the last quarter of FY98.<sup>42</sup>

Although the Air Force normally does not label its occupations as retention-critical, it identified the 21 occupations listed in Table Six. Instead of naming occupations as retention-critical, efforts are made to retain all personnel regardless of specialty. Their focus is cumulative reenlistment goals based on years of service rather than occupation. According to Air Force officials, sustainment periods provide the basis for reenlistment goals.<sup>43</sup>

Enlisted retention trends remain a concern with emphasis on retaining first and second-term airmen. For the first time in three years, the Air Force exceeded its first-term reenlistment goal. To help retain a highly trained and qualified force, The Air Force has initiatives in place to foster improved retention

The Air Force has its version of the Selective Reenlistment Bonus (SRB) Program. The program is a monetary incentive paid to eligible enlisted servicemembers to attract critical military skills to sustain the career force in those skills. Headquarters of the United States Air Force updates the SRB lists as requirements change. The intention of the program is to ensure the Air Force retains only airmen who consistently demonstrate the capability and willingness to maintain high professional standards.<sup>44</sup>

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<sup>41</sup> Abstract Cutoff.

<sup>42</sup> Asch p. 69-70

<sup>43</sup> GAO Report p. 19.

<sup>44</sup> <http://www.afpc.randolph.af.mil/enlskills/reenlistments.htm>

The Air Force also expanded its SRB authorization to more MOSs. In FY99 it authorized 135 specialties for an SRB for a total of (\$74 million); in FY00 152 specialties for (\$124 million); in FY01 154 specialties for (\$165 million); and in FY02 161 specialties for (\$285 million).

#### **4. Marine Corps**

The Marine Corps retention rate remained favorably constant at 83 percent for FY95 and FY96.<sup>45</sup> According to a Rand study, Lieutenant General Parks stated that the Marine Corps continued to manage its retention situation effectively.<sup>46</sup> As depicted in Figure 2, the Marine Corps' first-term retention rate remained steady at approximately twenty-one percent in FY95-99, and then rose to twenty-five percent in FY00.

Table Eight lists the thirteen occupations that the Marine Corps considered retention-critical. Each occupation's strategic importance and the difficulty it has retaining personnel in the occupation is the basis of retention-critical occupations according to the Marine Corps.<sup>47</sup>

### **C. A SURVEY OF RETENTION IN FOREIGN MILITARY FORCES**

Many of the factors influencing retention in the U.S. Armed Forces pose similar problems for armed forces in other countries. Retention rates appear to decline after a unit has served on a peacekeeping tour. Retention rates in the United States seem to decline after peacekeeping operations in Kosovo and Bosnia.<sup>48</sup> Australia witnessed similar occurrences after deployments in support of International Forces in East Timor (INTERFET).

#### **1. Canadian Military Forces**

According to the Auditor General of Canada, essential military occupations in the Canadian Force have crucial shortages. Figure One shows that the trained effective

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<sup>45</sup> Abstract Cutoff.

<sup>46</sup> Asch p. 68.

<sup>47</sup> GAO p. 21

<sup>48</sup> "Retention of Military Personnel- Australian Defence Force." Australian National Audit Office. January 6, 2003.

strength<sup>49</sup> of the military population has fallen from 92 percent in 1992 to 90 percent in 2001 and is projected to decline to 80 percent by 2004. Furthermore, intradepartmental predictions showed that the trained effective strength could fall below 80 percent by 2004.<sup>50</sup>

The military population is also not uniformly distributed. There are not enough effectively trained personnel to fill the 3,300 vacant positions in 72 of its mission critical occupations. However, the Canadian military force continues to disseminate recruits into 21 of their overstaffed occupations such as cooks, stewards, and communications researchers while vehicle and weapons technicians, engineers, doctors, dentists and other key occupations are understaffed.<sup>51</sup>

Although the Canadian Force has begun to address the retention issue, as the population of the force gets older and service members are eligible to exit, the military may lose more and more of its experienced and skilled personnel.<sup>52</sup> The Auditor General of Canada stated that it could take up to thirty years to fix the gaps in the military labor force since people enter the military at entry level positions only.<sup>53</sup>

According a Canadian Auditor General Office report, Canada's downsizing of national defense in the mid-1990s caused their military labor supply shortage of today. The reduction in force created a deficiency of experienced manpower personnel to manage human resources. Defense officials are concerned that only a small amount of military personnel, who are responsible for military human resource management, have prior experience or training in human resource policies and practices. Although there are opportunities for service members who are filling these billets to receive human resource instruction, a knowledgeable group that is trained and experienced in human resource management is more beneficial to the Canadian Force.<sup>54</sup> The Auditor General of Canada stated, "Human resource expertise is the missing ingredient. The military must make a

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<sup>49</sup> Trained effective strength is defined as the quantity of people in the military who are trained for duty.

<sup>50</sup> Office of the Auditor General. p. 1-3.

<sup>51</sup> Ibid.

<sup>52</sup> Ibid.

<sup>53</sup> Ibid. p. 30.

<sup>54</sup> Ibid.

fundamental change in the way it manages its human resources if these urgent personnel shortages are to be fixed.”

The April 2002 Report also declared that, the Canadian Forces realizes the urgent need to rectify the shortages created by previous human resource practices. As part of a three-year recruiting strategy, the Defense Department wants to more than double its yearly intake of regular force servicemembers from 2,500 to 7,000. Prior manpower policies created rises and falls in the allocation of the military population that produced some gaps in rank and age distribution and in experience.<sup>55</sup>

The Canadian Forces are looking at retention options to entice their highly skilled and experienced people to remain in service. Below are some of the incentives to retain servicemembers:

- Extending the compulsory retirement age to 60 years
- Instituting pay increases
- Creating a center to care for injured personnel
- Improvements to military housing
- Family support projects
- An additional allowance for pilots

Additionally, the target time for completion of a military occupation structure review is 2005.<sup>56</sup>

## **2. Australian Military Forces**

Two factors prompted the Australian Defence Force (ADF) to implement retention measures:

- The gap between civilian and ADF employment conditions is closing.
- The civilian sector strongly demands the special skills of certain ADF service members.<sup>57</sup>

The main retention measure is the return of service obligation (ROSO). ROSO ensures an adequate work return is obtained from those service members who received

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<sup>55</sup> Ibid.

<sup>56</sup> Ibid. p. 8-9.

<sup>57</sup> Australian National Audit Office, p. 15.

expensive training or acquired a skill that is beneficial to the civilian sector; avoids interruptions to the course of replacement members; and uses limited resources wisely.<sup>58</sup>

According to the Australian National Audit Office (ANOA), the ADF considers retention incentives as part of an overall payment package. It disburses separate bonus payments only as a last remaining effort to retain service members. In accordance with the Military Superannuation and Benefits Scheme that was established in 1991, servicemembers are eligible to receive a retention bonus after fifteen years of service. In accordance with the ALP 1998 Election Policy, the bonus is a lump sum payment that is equivalent to one year's pay, and it is offered to selected personnel deemed to possess important skills. Upon acceptance of the payment, the service member incurs a 5-year obligation to remain in the ADF.<sup>59</sup> One disadvantage of accepting the bonus is that the bonus usually forces the service member over the tax limit created by the Howard Government. The result is an extra 15 percent tax on the amount over their tax limit.<sup>60</sup>

Retention usually declined after peacekeeping operations. Just as the United States had retention problems after Bosnia and Kosovo, Australia had similar retention cases after the Australian-led peacekeeping operation in East Timor.<sup>61</sup> In 1998 and 1999, the ADF personnel separation rate was 14 percent. This was similar to the United Kingdom Defence Force and close in comparison to Australian entities with over 5000 employees (ANAO). Table Ten shows the average 1998-1999 required and actual ADF personnel strength for Navy, Air Force, and Army Regular and Reserve force. As with the American and Canadian military forces, the ADF has retention problems in their positions.<sup>62</sup>

#### **D. SUMMARY**

Despite the state of the economy, the military has always competed with the private sector for high-quality individuals in certain specialized occupations such as

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<sup>58</sup> Ibid. p. 15-16.

<sup>59</sup> Australian National Audit Office. p 12-16.

<sup>60</sup> ALP 1998 Election Policy. p. 12

<sup>61</sup> Ibid. p. 17.

<sup>62</sup> Positions are Australia's equivalent to occupational fields in the U.S. Marine Corps.

communication, languages, information technology, and aviation. Maintaining sufficient manning levels in specialized areas is likely to continue to be challenging in the future.<sup>63</sup>

The retention problems that the Marine Corps currently face are associated with manning decisions made during the downsizing period. When senior enlisted personnel exit the Marine Corps, the remaining force will be less experienced. In 1995, twenty-eight percent of the enlisted force had six to twelve years of service. Today that proportion is twenty-two percent. Lower mid-career retention over the past three years and low accessions during the downsizing are two factors that contribute to this decrease. Additionally, twenty-two percent of the force has thirteen to twenty years of service. It is projected that in year 2005, this level will decrease to sixteen percent due to the number of members soon to be eligible for retirement. People are motivated by the numerous opportunities they can find through advanced education and careers in the private sector. Marines in retention-critical occupational specialties are not being “pushed out” of the Marine Corps by their experiences at a greater rate than other enlisted personnel. Instead, it is more likely that they are “pulled out” of the Marine Corps by more lucrative civilian opportunities.<sup>64</sup> For this reason, the military must find ways to remain competitive in retaining its highly skilled and trained personnel it currently has in its ranks.

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<sup>63</sup> ALP 1998 Election Policy p. 15.

<sup>64</sup> GAO Report. p. 2

**TABLE 3. ANNUAL AVERAGE UNITED STATES LABOR FORCE DATA**

<b>United States Employment Status of the Civilian Non-institutional Population Persons 16 Years of Age and Older Annual Averages, 1990-2002 (numbers in thousands)</b>				
<b>Year</b>	<b>Civilian Labor Force</b>	<b>Employed</b>	<b>Unemployed</b>	<b>Unemployment Rate</b>
1990	125,840	118,793	7,047	5.6
1991	126,346	117,718	8,628	6.8
1992	128,105	118,492	9,613	7.5
1993	129,200	120,259	8,940	6.9
1994	131,056	123,060	7,996	6.1
1995	132,304	124,900	7,404	5.6
1996	133,943	126,708	7,236	5.4
1997	136,297	129,558	6,739	4.9
1998	137,673	131,463	6,210	4.5
1999	139,368	133,488	5,880	4.2
2000	142,583	136,891	5692	4.0
2001	143,734	136,933	6801	4.7
2002	144,863	136,485	8378	5.8

Source: From United States Department of Labor, Bureau of Labor Statistics website:  
<ftp://ftp.bls.gov/pub/special.requests/lf/at.txt> January 6, 2003



**TABLE 4. ARMY RETENTION-CRITICAL OCCUPATIONS**

Priority	DOD Occupation Code	Army Occupation Code	Occupation Title
1	E25	13F	Fire support specialist
2	E04	13P	Fire direction specialist
3	E20	31F	Network switching syst. operator
4	E10	31S	Satellite comm. syst. Operator
5	E10	35M	Radar repairer
6	E61	63B	Wheeled vehicle mechanic
7	E60	67T	Helicopter repairer
8	E82	77F	Petroleum supply specialist
9	E55	92Y	Unit supply specialist
10	E22	93C	Air traffic control operator
11	E24	96B	Intelligence analyst
12	E23	98G	Voice interceptor

Source: From United States GAO, June 2001

**TABLE 5. NAVY RETENTION-CRITICAL OCCUPATIONS**

Priority	DOD Occupation Code	Navy Rating	Occupation Title
1	E66	33xx	Nuclear propulsion plant operators and supervisors
2	E21	17xx (EW) 78xx(AW)	Electronic warfare technicians and systems operators
3	E23	92xx(CTI) 91xx (CTR)	Cryptologic technicians
4	E10, E11, E12	11xx (FC) 11xx 13xx (FT)	Fire controlmen
5	E13	04xx (STG) (STS)	Sonar technicians
6	E10, E19	14xx 15xx (ET) 66XX 79XX (AT)	Nonnuclear electronics technicians
7	E22	69XX (AC)	Air traffic control
8	E43	53XX	Divers
9	E19, E67, E62	47XX (IC)	Interior communications technicians
10	E60	AME	Aviation structural mechanics

Source: From United States GAO, June 2001.

**TABLE 6. AIR FORCE RETENTION-CRITICAL OCCUPATIONS**

<b>PRIORITY</b>	<b>DOD OCCUPATION CODE</b>	<b>AIR FORCE SPECIALTY CODE</b>	<b>OCCUPATION TITLE</b>
1	E22	1C1X1	Air traffic control
2	E25	1C2X1	Combat control
3	E20	1A3X1	Airborne communications
4	E20	3CC2X1	Communications systems control
5	E05	1T2X1	Pararescue
6	E22	1A4X1X	Air battle management system
7	E23	1N3XXX	Crypto linguist
8	E24	1N0X1	Intelligence applications
9	E22	1C6X1	Space systems operation
10	E25	1C4X1	Tactical air command and control
11	E24	1N1X1	Intelligence imagery analysis
12	E23	1N4X1	Signals intelligence analyst
13	E55	1N5X1	Electronic signals intelligence exploitation
14	E42	1W0X1X	Weather
15	E10	2A1X4	Airborne surveillance radar systems
16	E60	2A5X2	Helicopter maintenance
17	E19	2A5X3C	Bomber avionics systems
18	E60	2A6X1B	Aerospace prop, turboprop and turboshaft
19	E60	2A6X3	Aircrew egress system
20	E10	2E1X1	Satellite wide-band telemetry systems
21	E66	3E0X2	Electrical power production

Source: From United States GAO, June 2001.

**TABLE 7. MARINE CORPS RETENTION-CRITICAL OCCUPATIONS**

<b>PRIORITY</b>	<b>DOD OCCUPATION CODE</b>	<b>MARINE CORPS OCCUPATION CODE</b>	<b>OCCUPATION TITLE</b>
1	E10	6463	Radar test station technician
2	E10	2823	Technical controller
3	E10	6032	Fixed wing aircraft flight engineer
4	E24	0211	Counterintelligence specialist
5	E24	0251	Interrogator/debriefer-translation specialist
6	E60	6035	Aircraft power plants test cell operator, fixed wing
7	E10	2834	Satellite communications technician
8	E10	2832	Criminal investigator
9	E43	2336	Explosive ordnance disposal technician
10	E83	5821	Criminal investigator
11	E24	7314	Unmanned aerial vehicle operator
12	E05	7372	First navigator
13	E20	7382	Airborne radio operator/loadmaster

Source: From United States GAO Report, June 2001

**TABLE 8. FIRST-TERM ENLISTED RETENTION RATES**

	<b>FY95</b>	<b>FY96</b>	<b>FY97</b>	<b>FY98</b>	<b>FY99</b>	<b>FY00</b>
<b>Army</b>	40.2	38.7	41.8	39.6	38.2	38.3
<b>Navy</b>	33.5	37.4	36.2	36.3	38.6	43.5
<b>Air Force</b>	41.5	39.6	37.5	36.8	36.9	41.9
<b>Marine Corps</b>	21.9	21.3	21.5	21.6	21.3	25.2

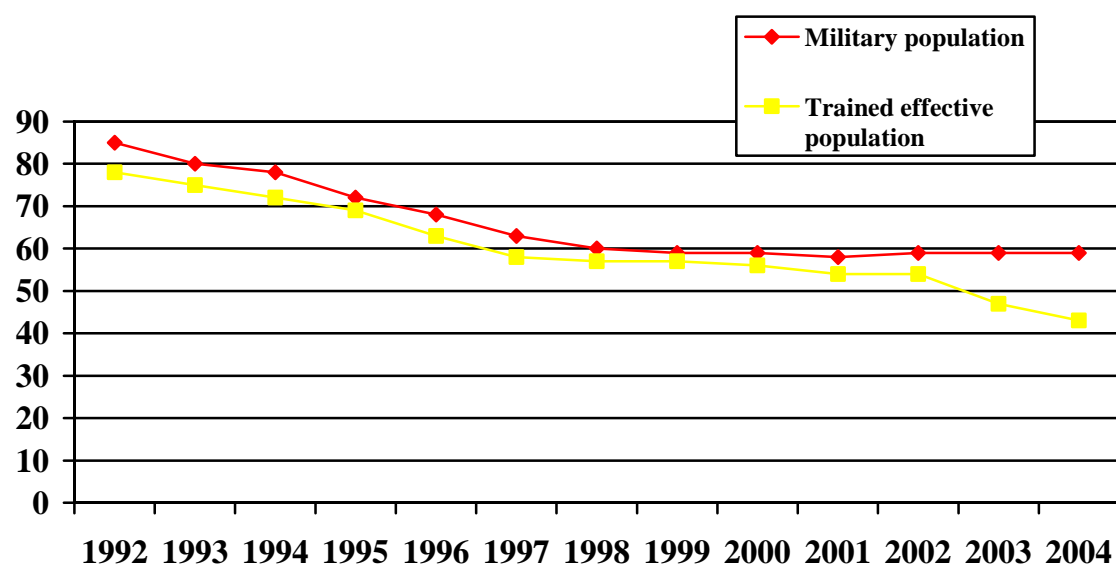
Source: From Rand Study, Military Recruiting and Retention after the FY2000 Military Pay Legislation

**TABLE 9. FIRST-TERM REENLISTMENT RATES**

	<b>FY96</b>	<b>FY97</b>	<b>FY98</b>	<b>FY99</b>
<b>Army</b>	41.0	48.0	45.0	43.0
<b>Navy</b>	32.0	31.0	35.0	33.0
<b>Air Force</b>	52.0	50.0	49.0	43.0
<b>Marine Corps</b>	18.0	19.0	20.0	20.0

Source: From Rand Study, Military Recruiting and Retention after the FY2000 Military Pay Legislation

**FIGURE 1. CANADIAN FORCES' TRAINED EFFECTIVE STRENGTH**



Source: From National Defence

**TABLE 10. AVERAGE ADF STRENGTH FOR 1998 AND 1999**

**(in thousands)**

	<b>REQUIRED</b>	<b>ACTUAL</b>
Navy - Regulars	12,748	11,973
Navy - Reserves	2,426	227
Air Force - Regulars	15,512	14,099
Air Force - Reserves	2,388	2,303
Army - Regulars	24,602	22,343
Army - Reserves	28,371	21,486
TOTAL - Regulars	52,862	48,415
TOTAL - Reserves	33,185	25,016

Source: From ANAO Audit Report

### **III. ENLISTED CAREER FORCE CONTROLS (ECFC) PROGRAM**

#### **A. INTRODUCTION**

The Marine Corps uses incentives to retain high quality Marines in occupations that demand high skills. In retaining Marines, we must ask ourselves three pertinent questions: 1) What are the skills that we must retain? 2) What Marines do we want to retain? And 3) What incentives do we offer to help retain these Marines? Analyzing which skills to retain are important to the operational forces of the Marine Corps. The Marine Corps needs to retain certain skills in order to maintain the operational capabilities of the force. When the Marine Corps spend resources, whether it is time or money, it expects to receive a return on its investment. Once it loses these Marines to the civilian sector, these human resources are usually gone forever.

The individual Marine quality is an important variable in the retention equation. The focus of the Marine Corps retention plan is to focus their efforts to reenlist high quality Marines to reenlist in the career force. By keeping high caliber first-termers, the Marine Corps benefits because they increase the knowledge capacity of the Corps. The incentives must be within the Marine Corps' budget, yet rewarding enough to keep the targeted Marines from leaving the Corps. The first two questions relate to one another in such a way that the Marine Corps want to retain high quality Marines with important skills.<sup>65</sup>

The Marine Corps began the Enlisted Career Force Controls (ECFC) Program in 1985 to help offset the rise in the career force population. The intent behind the program was twofold. First, it was to form the Marine Corps inventory to match career force requirements. Secondly, it was to create a standardized promotion tempo across all MOSs. Although there are several policies and programs that support the ECFC, we will discuss enlisted grade shaping in the form of the Enlisted Grade Structure Review (EGSR) and the First-Term Alignment Plan (FTAP).

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<sup>65</sup> Lieutenant Colonel Byrne, Brian J. and Major Ly Fecteau. "Manpower Requirements." Handout. November 2002.

The objective of this chapter is to examine elements of the enlisted career force controls with respect to FTAP. Furthermore, it discusses the intent, purpose, and process of the Enlisted Grade Structure Review. In addition to discussions of the purpose and definition of the First-Term Alignment Plan, we will cover its contents as well. The final section discusses the FTAP model before providing a summary.

## **B. ENLISTED GRADE STRUCTURE REVIEW**

### **1. Intent**

The EGSR conducted on August 27, 2002 reviewed and reconstructed MOS grade structures to ensure they supported force requirements. The intent of the EGSR was to find a better balance between the support of MOS grade structure and operational requirements. Operational requirements have priority over the MOS grade structure supportability. The EGSR does not increase or decrease the number of billets in the Marine Corps. It only reallocates the proportion of billets in each grade.<sup>66</sup>

### **2. Purpose**

Over the last five years, many force structure reviews such as the Active Duty Force Structure Review Group (ADFSRG), the Force Structure Planning Group of 1999 (FSPG-99), and major initiatives all have resulted in significant changes to the Table of Manpower Requirements (T/MR). The T/MR is an automated system that encapsulates and displays approved Marine Corps' Tables of Organization and Equipment (T/O&E)<sup>67</sup>, T/O&E mission statements, and other associated data.<sup>68</sup> Once Marine manpower planners, more specifically Marine Corps Combat Development Command (MCCDC) and Manpower and Reserve Affairs (M&RA), determine that numerous major initiatives have significantly changed the T/MR, an Officer/Enlisted Grade Structure Review is scheduled. The end result of the O/EGSR is to have a pyramidal grade shape in the

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<sup>66</sup> Lieutenant Colonel Byrne, Brian J. and Major Robert W. Barry. "Active Duty Officer and Enlisted Grade Structure Review." Information Paper. 13 September 2002.

<sup>67</sup> Table of Organization and Equipment is a basic document that describes, in billet line detail, the organizational manpower requirements in terms of grade, MOS, series, weapon, and billet title for civilian and military personnel. This document also lists items required by the organization to perform their wartime mission by table of authorized materiel control number.

<sup>68</sup> Marine Corps Order 5311.1C. Total Force Structure Process (TFSP). January 14, 1999.



T/MR that supports operational requirements while providing equitable promotion opportunities among all MOSs.<sup>69</sup>

### **3. Process**

The O/EGSR commenced on 27 August 2002 when the Total Force Structure Division (TFSD) disseminated a list of policy procedures. The Division distributed EGSR Analysis Tool, FY06 (05/10) and FY07 (06/10) T/Os, billets by grade and MOS by responsible Occupational Field Sponsor, E8 and E9 allocation by Occupational Field Sponsor, Analysis Tool business rules, Officer grade structure review parameters, and EGSR ‘starting point’ solutions by the appropriate responsible Occupational Field Sponsor, skill grade flow rates (SGFR).<sup>70</sup> According to the 12 August 2002 Commanding General, Marine Corps Combat Development Command (CG, MCCDC) brief, SGFR is the ratio of one grade to the next. For example, an SGFR of .25 for pay grade E6 means that four E5 billets are required to support one E6 billet. From manpower viewpoint, a SGFR parameter of +10 percent and -20 percent is considered acceptable.<sup>71</sup> Further explanation will follow in Chapter Four.

Between 27 August and 23 September 2002, MOS sponsors and specialists conducted a grade shape development known as the negotiation phase. The objective of the negotiation phase was to establish equitable grade structures while maintaining realistic requirements for the Marine Corps and diminishing potential adjudication issues. To help achieve this objective, the total number of E8 and E9 grade allocations increased by an estimated 465. Occupational Field Sponsors were allotted these additional ‘allocations.’ MOS sponsors and specialists were not allowed to exceed the SGFR and officer grade parameters even though they were at liberty to use all available E8 and E9 grade ‘allocations.’ If for any reason additional E8 and E9 ‘allocations’ were requested, TFSD reserved the right to informally confer with M&RA to determine the supportability of the request prior to the distribution of additional ‘allocations.’ In the event that there were excess or unnecessary E8 and E9 ‘allocations,’ they were returned to TFSD as soon

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<sup>69</sup> Letter of Instruction (LOI) and Plan of Action and Milestones (POA&M) for the Active Duty Officer and Enlisted Grade Structure Review (O/EGSR). Manpower and Reserve Affairs. p 1-2.

<sup>70</sup> Ibid. p. 7.

<sup>71</sup> Brief to CG, MCCDC. “Total Force Officer and Enlisted Grade Structure Review August 2002 – February 2003.” 12 August 2002.

as an Occupational Field Sponsor determined that all MOSs under his supervision had used all necessary ‘allocations’ TFSD had provided to meet the objective. No participant should have kept unnecessary E8 and E9 ‘allocations’ as this could have had a negative impact upon other process owners.

TFSD and M&RA analyzed all occupational fields when the negotiation process was complete. Any MOS that failed to achieve a grade shape within SGFR and/or officer grade parameters did not receive a favorable endorsement from M&RA and was forwarded for adjudication. To prevent disruption to the EGSR process and delaying the timeline, disputes were handled at the lowest possible level.

On 23 September 2003, TFSD received completed EGSR data forwarded from Occupational Field Sponsors.<sup>72</sup> From 1-25 October 2003, TFSD distributed updated T/O&E extracts to Marine Corps Air/Ground Task Force (MAGTF) element advocates. Advocates distributed these T/O&E extracts and conducted liaison with Marine Forces (MARFOR).<sup>73</sup>

MAGTF elements had until 28 October 2002 to forward adjudication requests to TFSD. All requests needed the following information: positions of the MOS Specialist, MAGTF element advocate, and estimate of supportability from M&RA.<sup>74</sup>

The adjudication phase occurred 5 – 25 November 2002. This phase consisted of the pre-adjudication and the adjudication phase. Its purpose was to resolve operational versus manpower differences among all stakeholders involved in this process. Issues that remain unanswered during the Grade Structure Review and pre-adjudication were forwarded for final decision to the Marine Corps Combat Development Command Commanding General (CG, MCCDC) who holds final dispute resolution authority.

The pre-adjudication is a decision memorandum presented before the Human Resources Development Process (HRDP) Council of Colonels where they vote on each issue. Council members have one vote each and voting logic is as follows:

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<sup>72</sup> Ibid. p. 7.

<sup>73</sup> Ibid. p. 8.

<sup>74</sup> Ibid. p. 8.

- Council of Colonels (CoC) had to come to a unanimous decision concerning the issue at hand, thus resolving the issue, else:
- Colonels representing MCCDC (TFSD) and M&RA (MPP) had to agree in their decision over the issue, thus resolving the issue, else:
- Issue was forwarded to CG, MCCDC for adjudication<sup>75</sup>

Adjudication is the last resort to solving operational and manpower differences. Issues that are unresolved during pre-adjudication were presented in Decision Memorandum format to CG, MCCDC with voting results from the CoC, and all staffing comments enclosed. Subject matter experts representing M&RA, MAGTF, and TFSD briefed CG, MCCDC as needed concerning adjudication issues.<sup>76</sup>

The final results were staffed from 26 to 28 November 2002 and briefed to the Deputy Chief of Staff for Manpower and Reserve Affairs and CG, MCCDC.

TFSD input all O/EGSR changes into the T/MR from 2 December 2002 to 12 February 2003. A February 2003 Production Run was generated, and on 31 March 2003, TFSD will open the T/MR for T/O Change Requests.

All stakeholders had separate duties regarding the outcome of the EGSR. The following list is an explanation of the individual responsibilities involved in the EGSR process.

1. TFSD: Acts as the police for the conduct of the EGSR. The Division is responsible for establishing procedures for conducting the EGSR and subsequently seeing that those procedures are carried out. This Division must also reconcile the T/MR and ASR and integrate all approved changes into the T/MR. In addition to establishing procedures, the Division must also develop and publish a standardized format and procedure for submitting grade structure changes; provide extracts, by billet and PMOS, along with recommending Skill Grade Flow Rates and officer grade parameters to all Occupational Field Sponsors; organize the final adjudication process and CG, MCCDC dispute resolutions; and staff out T/O&E extracts of all stakeholder-recommended changes to the MAGTF element advocates for MARFOR agreement or comments. One

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<sup>75</sup> Lieutenant Colonel Byrne, Brian J. and Major Robert Barry. "Active Duty Officer and Enlisted Grade Structure Review." Information Paper. 13 September 2002.

<sup>76</sup> Ibid.

of the last steps in the EGSR process is for TFSD to input the final grade change results into the T/MR database.

2. Manpower Plans and Policy Division (MP): One of the first tasks MP Division must perform is to present the results of all pre-EGSR working groups to TFSD. After calculating skill grade flow rates (SGFR) and officer parameters, provide these items to TFSD along with ideal MOS structures. This division must attribute the number of B-billets to PMOS. The attribution is then discussed with TFSD, MOS specialists, and occupational field sponsors for concurrence. They must also provide TFSD recommended changes from the occupational field sponsors and estimates of supportability for these changes. Lastly, the Division reviews adjudication packages from the MAGTF Element Advocates and provide appropriate supportability estimates to TFSD, the HRDP Council of Colonels, and CG, MCCDC.

3. MAGTF Element Advocates: It is important that this group must keep in close contact with TFSD, Sponsors, M&RA, and the MARFORs throughout the EGSR process. They are to work with occupational field sponsors and MOS specialists as to influence requirements generated in support of MARFORs. These Advocates should be prepared to provide a broad-based experience level, and should directly represent each MAGTF and MARFOR element. Additionally, the MAGTF Element Advocates must review changes generated by Occupational Field Sponsors and MOS specialists to ensure supportability. Furthermore, they must prepare, submit, and brief pre-adjudication and adjudication packages on behalf of the respective MAGTF element for the HRDP Council of Colonels and CG, MCCDC. One of the final duties of the element is to prepare and submit final and approved grade changes to TFSD for input into the T/MR database.

4. Occupational Field Sponsors: Together with MOS specialists, Occupational Field Sponsors are to identify specific MOSs under their area of responsibility that are outside of the M&RA determined skill grade flow rates and recommend appropriate grade distribution changes for them. Sponsors should work with TFSD to return of request additional E8 and E9 grade 'allocations' during the EGSR process; use EGSR Analysis Tool to provide all EGSR to TFSD for consolidation and

staffing to MAGTF Element Advocates; and assist MOS specialists in ensuring that T/O&Es are analyzed and considered during restructuring efforts.

5. MARFOR: MARFORs review the recommended grade changes to guarantee operational supportability. They also converse with MAGTF Element Advocates to provide concurrence and/or comments.<sup>77</sup>

During the ten weeks following the EGSR, MOS specialists had reviewed 129,230 billets. Out of the 12,006 billets identified for change by the EGSR, the MARFORs considered 806 to have a negative impact upon mission accomplishment. Therefore, these 806 billets were reverted back to their initial status.<sup>78</sup> The below is a summary of the changes that took place. Cumulative grade changes are as follows:

**TABLE 11. AGGREGATE GRADE CHANGES BY PAY GRADE**

E-9	Increased	90*
E-8	Increased	232*
E-7	Decreased	494
E-6	Decreased	608
E-5	Increased	1,057
E-4	Increased	4,700
E-1 through E-3	Decreased	4,984

Source: 22 November 2002 Information Paper

Note: \*Source for E-9 and E-8 numbers are from the Marine Corps Administrative Message dtd 19 February 2003.

In all, 240 enlisted primary MOSs were reviewed and restructured. At the beginning of the review, 39 of these MOSs possessed structures that had more requirements at higher pay grades than the pay grade directly beneath it. An MOS structure of this type is considered inverted. As mentioned earlier, this type of grade shape is not supportable from a manpower perspective.

Eight hundred twenty SGFRs were calculated to conduct the review. At the onset, thirty-six percent (292) of these rates were within acceptable limits, thirty-nine

<sup>77</sup> Letter of Instruction (LOI) and Plan of Action and Milestones (POA&M) for the Active Duty Officer and Enlisted Grade Structure Review (O/EGSR). Manpower and Reserve Affairs. p 2-5.

<sup>78</sup> United States Marine Corps. "Active Duty Officer and Enlisted Grade Structure Review." Marine Administrative Message dtd February 19, 2003.

percent (322) were above acceptable limits and twenty-five percent (206) were below acceptable limits. At the present time, seventy-two percent (591) are within acceptable limits, twenty percent (165) are above acceptable limits, and eight percent (64) are below acceptable limits. From a supportability point of view, the outcome is a major improvement.

The SGFRs that exceed established parameters originate in 42 enlisted primary MOSs. Of these, 31 are small cell (less than 250 billets) and are very difficult to grade shape. The remaining MOSs were evaluated and only five required further review. Furthermore, final billet changes were entered in the February 2003 Trooplist and will be programmed to become effective FY06.

## **C. FIRST TERM ALIGNMENT PLAN (FTAP)**

### **1. Motivation/Thesis/Structure**

According to the article, “Reenlistment for First Term Marines” provided by Headquarters Battalion Career Planner, “First-term Marines are defined as ‘Marines serving on their initial active duty Marine Corps enlistment contract and any extensions to that contract.’” First-term Marines compete for what is called a boatspace. Each year Headquarters, Marine Corps (HQMC) comes out with a number of first term Marines they will reenlist in each MOS. When that MOS is filled, it is closed; therefore, no Marines will be allowed to reenlist in that MOS. If this happens, a Marine must make a lateral move<sup>79</sup> to another MOS if he or she wishes to remain in the Marine Corps.

This section begins with the stated purpose and gives the reasoning behind why the FTAP is vitally important. The contents provide a synopsis of important policies and programs that supports the FTAP. An explanation of the model used to determine the number of reenlistment will follow, as well as a summary and conclusion.

### **2. Purpose**

FTAP determines the number of first-term reenlistments that will be permitted in each of the Marine Corps’ PMOS. It is an important tool for aligning occupational requirements with inventory. In 1992, the Marine Corps found the need to update the

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<sup>79</sup> A lateral move is a reclassification of a Marine from one career track to another.

method used to determine the number of first-term reenlistments. The technique the Marine Corps used at that time did not account for changes in personnel policy, and it essentially assumed that end-strength would not change from year to year. The existing method would have allowed too many reenlistments during the drawdown period. To rectify this problem, the Center for Naval Analysis (CNA) and Marine Corps planners analyzed both FY 1992 and long-term requirements for first-term reenlistments.<sup>80</sup>

### **3. Definition/ Description**

The number of first-term reenlistments for each PMOS is determined by comparing the requirements with inventory. In 1992, the Marine Corps compared the current-year inventory in years of service (YOS), four to six, with the current-year requirements in the same years of service. This process would have provided an inaccurate measure of desired reenlistments for the following reasons:

- Inappropriate YOS comparisons- Marines in their fourth year of service are still on their first enlistment contract, therefore should not be part of the equation of inventory versus requirements for the career force.
- YOS windows too narrow- The Marine Corps does not have sufficient personnel tools to match inventory to requirements in later years of service, so a wider YOS window is necessary.
- Insufficient time frame for calculations- Calculations of requirements and the projection of personnel inventories should be over a period longer than the current year. Since reenlistments are for three to six years of service, the projections must look forward to years when the Marine Corps will be smaller.<sup>81</sup>

To maximize its return on training and to minimize instability in the force, the Marine Corps must meet its first term reenlistment requirements in each MOS by reenlisting high quality first-term Marines who are recommended and qualified for reenlistment. When the Marine Corps has an open FTAP MOS, an MOS for which the number of expected first-term reenlistments is fewer than the number of billets, selective reenlistment bonuses (SRBs) and lateral moves will be used to meet the requirements. Training costs are the basis for deciding on the proportion of SRB multiples and lateral

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<sup>80</sup> Determining the Number and Composition of First-Term Reenlistments: The First-Term Alignment Plan (FTAP). Center for Naval Analysis. 9 Nov 1992. p iii.

<sup>81</sup> Ibid. p iv.

moves used. SRBs are normally used in open FTAP MOSs with high training costs while lateral moves are usually reserved for those with low training costs.<sup>82</sup>

In the past few years, the Marine Corps has excelled in meeting its first-term retention goals. In FY01, the Marine Corps was directed to reenlist 6,073 first-term Marines. This goal was met nearly two months prior to the close of the fiscal year.<sup>83</sup> Furthermore, in FY02, the Marine Corps targeted to achieve sixty-four percent of the FY02 goal by the end of the first quarter. This was met and exceeded. It reenlisted 4,124 FTAP Marines (69.8 percent) by 10 January 2002 that resulted in the closure of 53 of the 214 MOSs that were open for reenlistment.<sup>84</sup>

#### **4. Contents**

##### ***a. Selective Reenlistment Bonus (SRB)***

The military controls its size and the combination of senior and junior level personnel by controlling the number of recruits enlisted and by changing the compensation incentives for reenlistment after certain fixed terms. Since reenlistment bonuses have proven to be a more flexible means of varying reenlistment incentives than base pay or retirement pay, it is offered clearly for this function.<sup>85</sup> The Rand Corporation concludes that the SRB is a large and flexible portion of military compensation. It can be offered to those in critical MOSs, and when the MOS is no longer considered critical, the Marine Corps will discontinue its offer. The SRB not only increases retention, it helps persuade Marines to reenlist vice extending.<sup>86</sup> The SRB is a premeditated commitment that is based primarily on a simple exchange of cooperation and rewards between the Marine who received a reenlistment bonus and the Marine Corps. The Marine is obligated to serve a specified number of years, usually three to four, in return for the reenlistment bonus received.

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<sup>82</sup> Marine Corps Order 1220.5J. MPP-25. 5 Apr 1993.

<sup>83</sup> All Marine Message 036/01.

<sup>84</sup> Marine Corps Administrative Message 045/02.

<sup>85</sup> Daula and Moffitt. p 499

<sup>86</sup> All Marine Message 036/01.



According to a study by Matthew S. Goldberg (2001), he believes that Marines who are making the decision whether to reenlist are “price-takers,” meaning that their decisions may be affected by SRB levels. Figure Two illustrates the supply and demand curves for reenlistments as a function of the SRB level. The Marine Corps tries to set the SRB levels such that it equals the supply of reenlistments to the desired levels of demand. If the Marine Corps sets the SRB level too low (M), then not enough Marines will reenlist (point A), and a shortage occurs (distance AB). To correct the shortage of reenlistments, the Marine Corps must increase the SRB levels at either mid-year, if the problem was detected early enough and if funding is available, or during the following year. If the Marine Corps sets the SRB level too high (N), then too many Marines will want to reenlist point (D), and a surplus occurs (distance CD). In this instance, the Marine Corps may suspend or delay bonus payments partway through the fiscal year, only to resume payments at the beginning of the following fiscal year when funding becomes available.

According to Marine Corps Order 7220.24M, the SRB program was established to help reach and maintain a certain number of career force Marines in particular MOSs and certain YOS groups. From 1982 until 2000, Marines who were to receive the bonus were paid 50 percent of the bonus at the time of reenlistment. The remaining balance was paid in equal installments on the reenlistment anniversary date.<sup>87</sup> Marine Administrative Message 436/00 states that SRBs lump sum payments were authorized beginning in March 2000. Furthermore, Marine Administrative Message 375/02 dictates that starting in FY03, all SRB-eligible Marines are paid 100 percent of their SRB bonus in one lump sum payment. Upon reenlisting, Marines will receive the full SRB owed to them. For FY03, Zone A reenlistment bonuses are limited to \$30,000. The program offers a monetary incentive in exchange for at least four years of service with the intent of the reenlistee to serve the entire four years in the MOS on which the Marine reenlisted. This is important because any reenlistee who received an SRB bonus, and is not serving in the skill that he/she reenlisted, may not be eligible to receive future

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<sup>87</sup> Report to the Chairman, Subcommittee on Manpower and Personnel. “Navy Management and Use of the SRB Program. September 1985. p 1.

installment payments, or in case of lump sum payment, may have to refund a proportion of the SRB payment.<sup>88</sup> SRB payments are calculated in the following manner:

SRB Payments = MBPDISC X YRS X MULT, where

MBPDISC = Marine's monthly basic pay at the time of discharge or release  
from active duty

YRS = number of years, and/or fraction of year (months) of additional  
service for which the Marine will be obligated beyond existing  
obligated service times

MULT = SRB multiple, not to exceed 10, for the applicable PMOS  
designated in the current Marine Corps Bulletin 7220 series<sup>89</sup>

For example, upon reenlistment, an SRB-eligible and recommended corporal (E4) infantry SMAW gunner (MOS 0351) with four years of active service during calendar year 2003 would receive a lump sum SRB payment of \$6996 (\$1749.19 base pay multiplied by a four-year obligation multiplied by an SRB multiple of 1).

On certain occasions, the reenlistee may be required to perform in billets other than the one that was authorized. These out-of-skill assignments are necessary to fulfill Marine Corps mission essential requirements. Only the Commandant of the Marine Corps (MMEA-8) can grant a waiver for out-of-skill assignments. In order for a Marine to be eligible to receive a reenlistment bonus under the SRB program, a Marine must meet the following criteria:

- Currently serving in an MOS with at least one multiple<sup>90</sup> in at least one zone in the current Marine Corps Bulletin 7220 series. These are known as SRB eligible MOSs.
- Eligible and recommended for reenlistment
- Currently holding the rank of lance corporal or above
- Reenlisting for a period not less than four years and within three months after discharge or release from active military service.

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<sup>88</sup> Marine Corps Order 7220.24M. p 1 – 9.

<sup>89</sup> Marine Corps Order 7220.24M. Selective Reenlistment Bonus Program.7 May 1990.

<sup>90</sup> Appendix B shows FY03 multiples for all Marine Corps MOSs that warrant a bonus.

- Assigned a PMOS or have a skill that is related to an SRB eligible MOS.

There are three control points in which Marines can reenlist throughout their careers. Zone A consists of reenlistments executed between 21 months and six years of active military service; Zone B consists of reenlistments executed between six and ten years; and Zone C consists of reenlistments executed between ten and fourteen. We will concentrate on Zone A since we are discussing first-term alignment. To be eligible for Zone A SRB, the potential reenlistee must:

- Have completed between 21 months and six years of continuous active military service. If the reenlistee has exactly six years of active military service on the date of reenlistment, the Marine is eligible for a Zone A bonus if a Zone A SRB bonus had not previously been awarded.
- Reenlist in the Regular component of the Marine Corps for at least four years and when added to the remaining obligated service from the first contract, the total will provide a new total obligated service of six years.
- Have not previously accepted an SRB.

Marines must maintain their level of technical proficiency in order to qualify for the entire SRB bonus. If a Marine loses his/her technical qualification due to misconduct, the Marine Corps recoups the unearned portion of the bonus, and the Marine is considered unqualified in the MOS in which the bonus was paid. Additionally, the bonus MOS is removed from the Marine's record, and future assignments in that MOS are prohibited. The following are reasons a Marine can become disqualified due to misconduct:

- Refusal to carry out certain duties that will maintain a proficient level of technical skills when the Marine agreed to do so in writing prior to receiving the bonus
- Disciplinary action under the Uniform Code of Military Justice (UCMJ) or civil action that causes the Marine to become technically unqualified
- Marines who are disqualified because of their own misconduct, but whose MOS is not voided because they are too close to their EAS to be issued a new MOS
- Loss of qualification under the Personnel Reliability Program (PRP), the loss of any mandatory requirements for effective MOS performance, or withdrawal of the minimum security clearance
- Injuries or illness caused by acts other than work related that prevents the maintenance of technical proficiency and interferes with the effective performance in the MOS.

Situations arise where Marines are technically disqualified for reasons other than misconduct. If the occurrence causes an injury, illness, or other impairment not at the fault of misconduct, the Marine is entitled to the full bonus even if the Marine is reassigned to a non-SRB MOS. The Marine may keep the unearned portion of the bonus even when they are no longer qualified for any of the listed reasons:

- Failure to obtain a higher qualification that was instituted after the bonus payment
- Illnesses, injuries, or other impediments in which it was no fault of the Marine
- Loss of security clearance if it was no fault of the Marine
- Directed by the service to perform in an assignment that is not related to the bonus MOS
- Humanitarian reassignments to other duties

Entitlement to the bonus is lost and the Marine must refund the unearned portion of the bonus when the Marine voluntarily separates, but not when a Marine becomes pregnant and a temporary reassignment out of the bonus MOS occurs.

The Marine Corps will suspend bonus payments for Marines who reenlist to go to a commissioning program and have to attend an initial preparatory school. The Marine is paid a prorated portion of the bonus if the commissioning program is not completed and the remainder of the reenlistment is served in the bonus-eligible MOS.

***b. Lateral Move Program***

In accordance with Marine Corps Order 1220.5J, a lateral move is a reclassification of a Marine from one career track to another. This usually occurs at the end of a Marine's enlistment contract. Lateral moves conducted in conjunction to first-term reenlistment in the Marine Corps are called an FTAP lateral move. Where there are open FTAP boatspaces, the Marine Corps fills those boatspaces by using the SRB program and lateral moves. The composition of boatspaces filled depends on training cost. If training costs are high, SRBs are used. If training costs are low, lateral moves are used. Marines must meet the prerequisites in Marine Corps Order 1200.7L (MOS

Manual) for the MOS involved. Lateral moves into restricted or closed FTAP MOSs are not approved. FTAP lateral moves have priority for lateral move school seats.<sup>91</sup>

Prior service personnel will only be allowed to reenlist if they already possess the necessary training in a PMOS that the Marine Corps has a shortage of personnel, and for those boatspaces which cannot be filled by SRB or lateral moves from active duty Marines. Also, Marines conducting a voluntary lateral move incur service obligation requirements posted in Marine Corps Order 1500.12L. Lateral move service obligation requirements have priority over career progression service obligation.<sup>92</sup>

*c. Broken Service Selective Reenlistment Bonus (BSSRB) Program*

The Broken Service Selective Reenlistment Bonus (BSSRB) Program is designed to provide a monetary incentive to prior service Marines with critical skills that left the Marine Corps and would like to return to active duty. Prior service Marines who are eligible for the BSSRB are offered 60 percent of the current bonus paid to active duty Marines at the time of reenlistment in the MOS.<sup>93</sup>

Marine Administrative Message 025/01 states that only prior service Marines are eligible for BSSRB. In order for prior service Marines to be eligible for BSSRB, the below criteria must be met:

- Successful completion of one Marine Corps contract with a reenlistment code of RE-1A.
- Completion of 17 months to six years of active duty
- Must reenlist between 91 days and 365 days from the active duty release date.
- Must reenlist in the regular Marine Corps for at least a four-year period
- Must meet the reenlistment criteria set forth in Marine Corps Order P1040.31H
- Must not be in a reserve component status of K4, K8, K9, KF, B1, B2, B3, B4, or B5<sup>94</sup>

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<sup>91</sup> Marine Corps Order 1220.5J. p 1,3, & 4.

<sup>92</sup> Ibid.

<sup>93</sup> Marine Administrative Message 025/01.

<sup>94</sup> Individual Ready Reserve prior service Marines are eligible.

- Must reenlist in their original PMOS
- Must reenlist under the authority of an FTAP boatspace
- Must reenlist as the rank of lance corporal or above
- Have not received a Zone A bonus

BSSRB Marines are paid the corresponding multiple at the time of reenlistment. The formula for computing the amount of the BSSRB is as follows:

$$\text{BSSRB} = \text{BP} \times \text{YEAR} \times \text{MULT} \times .6, \text{ where as}$$

BP is Monthly base pay at discharge

YEAR is Reenlistment contract length (in years)

MULT is Current Zone A multiple found in MCBUL 7220

.6 is 60 percent of the SRB paid to active duty Marines

All BSSRB awards are limited to \$18,000.00. One hundred percent of the award, minus taxes, is paid no less than 30 days after time on station at the Marine's first permanent duty station. The remainder of the award is paid annually on the reenlistment date in equal installments.<sup>95</sup>

#### ***d. Quality Reenlistment Program***

The Quality Reenlistment Program is designed to "place" those Marines who are retained in excess of the planned FTAP boatspaces. It also takes into account that MOS school seats may not be available which will delete available boatspaces in specific MOSs. This program authorizes 150 quality reenlistments with the following provisions:

- The 150 reenlistments cannot exceed the total number of authorized boatspaces under the current fiscal year FTAP.
- Quality reenlistments within an MOS should not exceed five percent of the total boatspaces in that MOS. If the five percent is equal to less than one boatspace then the MOS is allocated one quality reenlistment.

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<sup>95</sup> Marine Administrative Message 025/01.

- Until all boatspaces are used, the use of quality reenlistments should not be made in an MOS.
- Every effort should be made to reenlist quality reenlistment Marines to a lateral move boatspace they are qualified to fill before they are reenlisted under the Quality Reenlistment Program.<sup>96</sup>

## **5. First Term Alignment Plan Model**

Close to only two months into FY02, the FTAP was already over fifty-nine percent complete. By November 30, 2002, the Marine Corps had reenlisted over 3,500 of the 5,900 needed to reach the FTAP goal.<sup>97</sup>

There were two main concerns as to why the Marine Corps asked the Center for Naval Analysis (CNA) to examine the FTAP methodology. The first was the change in personnel policy. There was a fear that the model assumptions were no longer valid. Secondly, the model restricted comparisons to current-year inventories and current year requirements.<sup>98</sup>

Marine Corps manpower planners pay close attention to the first reenlistment point for many reasons. One reason is that Marines who reenlist become part of the Marine Corps career force. Since the Marine Corps want the most qualified Marines to enter the career force, the Marine's commanding officer is required to certify that the Marine is "recommended and eligible" for reenlistment. A second reason for paying close attention to first reenlistment points is because the Marine Corps does not have any checkpoints between the first reenlistment and retirement to balance PMOS inventory and PMOS requirements. Yet, a third reason is to ensure that adequate promotion opportunities exist. High reenlistment rates in the 1980s decreased the promotion rate in many PMOSs. Therefore, to ensure the Marine Corps does not exceed the required number of reenlistments allowed in the FTAP, reenlistment request for all recommended and eligible Marines are looked at thoroughly before processing.<sup>99</sup>

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<sup>96</sup> C. L. Fitzgerald. "Guidelines and Information for Executing the FY00 First Term Alignment Plan (FTAP)." Information paper. July 27, 1999.

<sup>97</sup> "First Term Alignment Plan Progressing At Record Rate."

<sup>98</sup> "Determining the Number And Composition of First-Term Reenlistments: The First-Term Alignment Plan (FTAP)." p. 1

<sup>99</sup> Ibid. p 1.

The overall number of first-term reenlistments has an effect on the number of accessions. For example, if the Marine Corps increase the number of first-term reenlistees by 1500, it has to decrease its accessions by a multiple of this so as not to exceed end strength. If the Marine Corps wish to downsize, it can achieve this in two ways- by either decreasing accessions or reenlisting fewer Marines. By decreasing the number of accessions, the Marine Corps force will be more senior and the average time in grade becomes longer. The first-term reenlistment point is the last opportunity, until retirement, for the Marine Corps to separate Marines without some type of separation pay.

Manpower planners begin each fiscal year determining the maximum number of first-term reenlistments for every individual PMOS. Steady-state information is used along with the information on FY03 inventories and requirements to determine the maximum number of first-term reenlistments for each occupational field. Then the reenlistments are distributed among the PMOSs in the occupational fields based on inventories and requirements for five to seven years of service. The Grade Adjustment Recapitulation (GAR) for a fiscal year supplies grade requirements for each PMOS. It is better to categorize reenlistment requirements by YOS vice defining them by grade. Yet, in order to do this, GAR requirements of all PMOSs must be translated into YOS requirements. This process needed two distinct pieces of information: requirements and inventory before first-term reenlistments. Based on figures at the end of the fiscal year, requirements refer to PMOS strength requirements for Marines who are in YOS four through six. Inventory before first-term reenlistments consists of the projected PMOS inventory of Marines in YOS four through six at fiscal year's end. Marines who have an end-of-active-service (EAS) during the fiscal year are not included in this inventory. The resultant is the following formula:



$REEN = REQSTR - PROJSTR$ , such that

REEN is the required number of enlistments during the year

REQSTR is the required strength in YOS four through six at year's end

PROJSTR is the projected strength without reenlistments in YOS four through six at year's end<sup>100</sup>

Marine Corps requirements and the entire career force inventory (YOS 5 through 20) should be considered when calculating the maximum number of Marines that are allowed to reenlist at the end of the first term. The Marine Corps does not have enough personnel tools to mirror requirements in YOS bands beyond the first reenlistment point, therefore, a wider YOS window for the career force is crucial. On the opposite end of the spectrum, using a narrow YOS window, one that is close to the first reenlistment, will allow too many Marines to reenlist in subsequent years. To remedy this problem, the Marine Corps would have to limit first-term reenlistments and /or accessions. Although the selective use of reenlistment bonuses and voluntary or involuntary separations pay is an option to change continuation behavior, these tools are rather costly to use beyond the PMOS level of imbalance.<sup>101</sup>

If only current-year requirements are considered when cutting end strength, future problems will occur. There must be an estimated reduction in career force continuation rates. For example, if from FY03 to FY08 the Marine Corps end strength decreased approximately 80 percent of the FY02 strength and planners based the number of first-term reenlistments only on FY03 requirements, they will have allowed too many reenlistments in future years. In essence, planners must consider present-year requirements and those when the force achieves steady- state.

The current inventories for the YOS cells have been determined by previous Marine Corps policies. Therefore, if requirements in a PMOS alternate over the years, then present inventories are an unlikely measure of how many Marines reenlisting now will survive to those same YOS cells. The same theory applies to continuation patterns.

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<sup>100</sup> Ibid. p 3-4.

<sup>101</sup> Ibid. p. 5-6.

If continuation patterns alternate over time, the more senior YOS inventories will not be good indicators of how many Marines will continue to serve to those years.<sup>102</sup>

The FTAP model uses a steady- state model that matches inventory to requirements in the YOS five through 20 category. Answers to steady-state problems give strength planners the number of first-term reenlistments that will fill structure requirements in YOS five to 20. The model assumes that a fixed set of behaviors will continue indefinitely until a steady state is reached and then the solution becomes self-regulating. The steady- state solution does not tell how long it takes to reach the steady-state condition.

The following assumptions must hold true if a given number of reenlistments, the steady- state estimate shows the number of these reenlisted Marines that will be in the relevant YOS:

- The present continuation rates and strength policies do not change
- The number of reenlistments are consistent over many years

The FTAP model uses an Excel spreadsheet for model calculations. The spreadsheet begins comparison in the fifth year because almost all Marines are still on their first enlistment; therefore, the spreadsheets ignore strength requirements in the first four years. The model uses the five to 20 YOS category to determine required reenlistments. Next, it calculates expected future inventories in a steady- state. Finally, the model estimates base year end strength inventory of Marines in YOS five to 20 from the inventory at the beginning of the base fiscal year.

On each spreadsheet is the following information:

- Base fiscal year requirements for YOS five to 20
- A solution must be provided for the number of first-term reenlistments required in the steady- state if the YOS five to 20 requirements for the base fiscal year are also steady- state requirements
- Expected end strength in YOS five to 20 for the year prior to the base fiscal year
- Expected end strength in YOS five to 20 for the year prior to the base fiscal year plus first-term reenlistments in the base fiscal year steady- state solution.

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<sup>102</sup> Ibid. p. 6-7.

Occupational fields are comprised of PMOSs. For example, PMOSs 0311, 0313, 0331, 0341, 0351, and 0352 compose the Occupational Field 0300. There are 307 PMOSs in the Marine Corps. These PMOSs are grouped into the 38 occupational fields listed in Table 12. One occupational field is put on a spreadsheet. Occupational fields work better than PMOSs because continuation rates are more reliable on a large number of Marines. Almost all occupational fields have an inventory greater than 100 Marines for YOS five to 20. In addition, there must be enough reenlistments to fill spaces to allow career progression in the PMOS within a career path.<sup>103</sup>

#### **D. SUMMARY AND CONCLUSIONS**

The outcome of the Enlisted Grade Structure Review proved to be beneficial. More MOSs than before will have a pyramidal grade shape. Also there were remarkable improvements to the SGFR. The “Within” SGFR increased by thirty-six percent. This led to a reduction in “above” SGFR and “below” SGFR thirty-nine percent and seventeen percent respectively.

Coverage of the responsibilities and duties of stakeholders involved in the Officer/ Enlisted Grade Structure Review process provides a look at new ways the process can be improved. The EGSR created pyramidal structures for more MOSs. In doing so, the likelihood increases that more quality Marines are retained. The creation of more pyramidal shapes for MOSs opens more opportunities for promotion because the Marines do not get stagnated at one pay grade. Once stagnation happens, demotivation occurs which leads to Marines leaving the Marine Corps.

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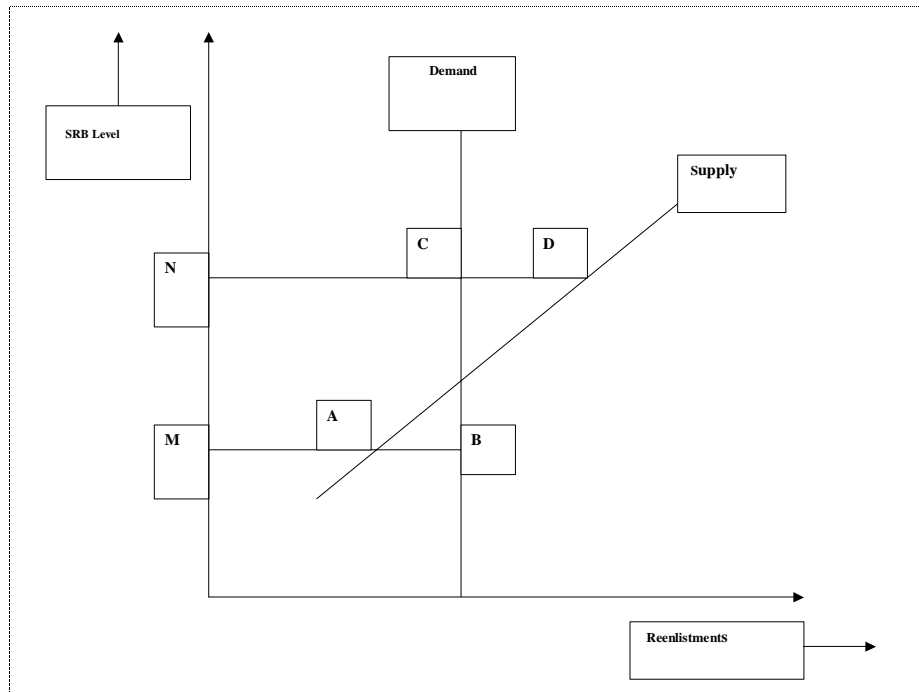
<sup>103</sup> Ibid. p. 7-9.

**TABLE 12. OCCUPATIONAL FIELD CODES AND DESCRIPTIONS**

OCCUPATIONAL FIELD	OCCUPATIONAL FIELD DESCRIPTION
01	Personnel and Administration
02	Intelligence
03	Infantry
04	Logistics
05	Marine Air Ground Task Force (MAGTF) Plans
06	Command and Control systems
08	Field Artillery
11	Utilities
13	Engineer, Construction, Facilities and Equipment
18	Ordnance
21	Ammunition and Explosive Ordnance Disposal
23	Operational Communications
25	Signals Intelligence/Ground Electronic Warfare
26	Ground Electronics Maintenance
28/30	Supply Administration and Operations
31	Traffic Management
33	Food Service
34	Financial Management
35	Motor Transport
40	Data Systems
41	Marine Corps Exchange
43	Public Affairs
44	Legal Services
46	Visual Information
55	Music
57	Nuclear, Biological, and Chemical
58	Military Police and Corrections
59	Electronics Maintenance
60/61/62	Aircraft Maintenance
63/64	Avionics
65	Aviation Ordnance
66	Aviation Logistics
68	Meteorological and Oceanographic Services
70	Airfield Services
72	Air Control/Support/Anti-air Warfare/Air Traffic
73	Navigation Officer/Enlisted Flight Crews
9919	Reporting MOSs

Source: Marine Corps Order P1200.7W, Military Occupational Specialities Manual, 16 April 2001.

**FIGURE 2. SUPPLY AND DEMAND OF REENLISTMENTS**



Source: Center for Naval Analysis Study, A Study of Enlisted Retention: Models and Findings, November 2001.

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## **IV. DATA ANALYSIS**

### **A. INTRODUCTION**

Calculating new SGFRs not only changes the required number of personnel in a lower pay grade it takes to support the immediate higher pay grade, but it also affects the total requirements needed to support the MOS as a whole. When the EGSR altered the structure of the enlisted pay grades, this caused a need for SRB multiples to be realigned as well. The SRB multiples should change in a way as to support the new grade structure and help the Marine Corps save money and time via a more efficient way of retaining Marines.

Depending on the restructuring of the enlisted pay grades, SRBs can change to be offered, or no longer offered. It depends on the criticality of the MOS and the degree of difficulty in retaining Marines in that particular MOS. For example, if an MOS is deemed critical, but the structure of this MOS changed such that the required number in the E6 pay grade decreased, then an SRB most likely would be offered but with a lower multiple. Yet on the other end of the spectrum, a critical MOS that had an increase in the required number in the E6 pay grade would need to have a higher multiple. When the Marine Corps increases the number of E6 billets in a critical MOS, essentially it saves money in retraining cost, but it has to offer a higher SRB multiple in order to retain these servicemembers. When the Marine Corps decreases the number of E6 billets in a critical MOS, it must spend more money on retraining costs, but it can lower the SRB multiple for this MOS because it will be easier to fill the lower number of billets.

This chapter seeks to compare the FY06 SGFRs before the EGSR with FY06 SGFRs after the EGSR. It will also compare the grade structure of certain MOSs before the EGSR with the same MOSs after the EGSR. Furthermore, we will incorporate the structure changes into the FTAP model and record the results.

### **B. DATA EXPLANATION**

The focus of this section is on the comparison of SGFRs for pay grades E4 through E9 and the enlisted billet structure for pay grades E2 through E9. Although

several MOSs will be discussed in regards to SGFRs and billet structure, the 13 critical-MOSs at the end of this chapter provides the basis for discussion in this chapter.

In this section we will discuss the composition of four lines of data: FY06 SGFRs before changes from the EGSR; FY06 SGFRs after changes from the EGSR; baseline data before the EGSR; and baseline data after the EGSR. Baseline data simply refers to the billet structure of each pay grade from E2 through E9.

### **1. Pre-O/EGSR Data- Skill Grade Flow Rates and Pay Grade Structure**

In many instances, where requirements are not achievable, PMOSs are not fully manned. For example, an MOS such as a Disbursing Technician in which billets are filled starting at the E5 pay grade requires a high first-term reenlistment rate. This contributes to shortages in the MOS that directly impacts the Marine Corps' ability to provide units with the Marines needed by grade and skill.<sup>104</sup>

As explained in Chapter Three, the SGFR determines the number of Marines required at a lower pay grade to fill billet requirements at the next pay grade. The manpower system is designed to have an SGFR of one or less. An MOS possessing a SGFR of more than one is an indication that more requirements in the lower pay grade than in the immediate higher pay grade, thus giving it an upside down pyramid shape. A more definitive explanation of the SGFR is given in Table Twenty-Five. Table Twenty-Six shows that prior to the EGSR, there were a total of 39 SGFRs greater than one in pay grades E4 through E9: 18 in pay grade E4; 14 in pay grade E5; 5 in pay grade E6; 2 in pay grade E7; and 0 in pay grades E8 and E9. Appendix C lists the PMOSs that were above one at the E4 and E5 pay grades.

Each pay grade has a maximum, desired, and minimum SGFR. The maximum and minimum SGFRs create the SGFR-parameters for all MOSs and are calculated as such:

$$\text{Maximum SGFR} = \text{Desired SGFR} \times 1.1$$

$$\text{Minimum SGFR} = \text{Desired SGFR} - [\text{Desired SGFR} \times .20]$$

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<sup>104</sup> All Marine Message 196/96. Enlisted Grade Structure Review. May 21, 1996.



As an example, MOS 0321, Infantry Reconnaissance Man, has a SGFR of 3.183 for pay grade E4. Its maximum, desired, and minimum SGFRs are .804, .731, and .585, respectively. This indicates that either the requirements for pay grade E4 need to be reduced or requirements for pay grade E3 need to be increased. Furthermore, this MOS has a FY06 SRB multiple of two. Since the targeted promotion point for pay grade E4 is 4.5 years, near the reenlistment point, the multiple will encourage more E4s to remain in the Marine Corps, therefore increasing the number in this pay grade and lowering the SGFR.

A PMOS that exceeds the maximum SGFR for its respective pay grade creates a shortage of Marines required in that pay grade and subsequently will not be able to support the higher pay grades. For example, if an MOS was assigned a maximum SGFR of .33 for pay grade E5 but it actually possessed a .5, then this MOS will be short one requirement in pay grade E4 for every E5 requirement, creating a shortage of human resources at the E4 pay grade, thus affecting higher pay grades of that PMOS. Table 15 shows a total of 308 pay grades among all MOSs held SGFRs above the maximum for their respective pay grade: 40 in pay grade E4; 90 in E5; 111 in E6; 34 in E7; 4 in E8; and 29 in E9. In other words, high SGFRs mean that there are not enough Marines in lower grades for the billets in the next immediate pay grade. This leads to quick promotions and the need to retain a high volume of Marines.

The minimum SGFR has the opposite effect. When the SGFR falls below the minimum SGFR, a surplus of human resources occurs at that particular pay grade. This surplus will lead to slower promotions if they remain in the Marine Corps. The Marine Corps would have to decrease retention and accessions for this particular PMOS. For example, if a PMOS was assigned a minimum SGFR of .5 for pay grade E5 but it actually possessed a .25, then this MOS will have a surplus of two requirements for one requirement in pay grade E4 for every E5 requirement. Table 15 shows a total of 192 pay grades among all MOSs held SGFRs below the minimum for their respective pay grade: 102 in pay grade E4; 17 in E5; 4 in E6; 22 in E7; 35 in E8; and 12 in E9.

As mentioned in previous chapters, the grade structure of an MOS should be pyramidal in shape. Prior to the O/EGSR, 77 PMOSs (32.08 percent) had inverted

pyramidal shapes. Most inverted PMOS structures occurred at the E2 or E3 pay grade. These two pay grades accounted for 63.64 percent of the unsupportable structures. When an inverted PMOS structure occurs towards the lower pay grades, it affects the remaining pay grades, making it difficult to provide resources for those billets.

## **2. Post-O/EGSR Data- Skill Grade Flow Rates and Pay Grade Structure**

The EGSR made significant improvements to the FY06 SGFRs. Only MOSs 0321, Infantry Reconnaissance Man and MOS 6463, Radar Systems Test Station Technician have an SGFR greater than one. An actual increase of 8.17 percent (3.443) occurred in PMOS 0321, and PMOS 6463 remained constant at 2.000.

The EGSR caused a decrease in the number of MOSs with inverted pyramidal structure. Only 12.5 percent of the MOSs needs restructuring of their grade shape after the EGSR as opposed to 32.08 percent previously.

## **C. OUTCOMES**

By restructuring the shape of billets in an MOS, the EGSR eliminates “short” MOSs overtime. By eliminating “short” MOSs, high multiples would be decreased. Multiples were high in regards to PMOSs that had inverted pyramidal structure. A possible reason for high multiples in these inverted pyramids is because the inverted pyramidal structure provides an unequal promotion system. Marines in these PMOSs get out because they do not seem to progress, career-wise, as fast as their peers in other PMOSs.

Required retention is the projected number of Marines the Marine Corps is scheduled to retain for a given fiscal year. The following is a summary of how the O/EGSR impacted the MOSs the Marine Corps deemed retention-critical for FY03:

### **1. MOS 0211: Counterintelligence Specialist**

The required retention for this MOS has ranged from approximately 59 Marines to 75 from FY01 to FY03. In FY01, the Marine Corps attained approximately 65.33 percent of the retention capacity and approximately 81.36 percent in FY02. In Table Eighteen, the one-billet decrease in E7 billets will hardly slow the promotion rate from

E6 to E7, and the one-billet increase in E8 billets will hardly increase the promotion rate to pay grade E8.

In instances where requirements are unachievable, MOSs are not fully manned. For example, since billets for the Counterintelligence Specialist MOS are filled starting at the E5 pay grade, it requires a higher first-term reenlistment rate than the Marine Corps can anticipate achieving, thus contributing to shortages in the MOS that directly impacts the Marine Corps' ability to provide units with Marines needed by grade and skill.<sup>105</sup>

## **2. MOS 0311: Infantry Rifleman**

Required retention for this MOS held constant at approximately 500 – 530 Marines for FY01 and FY02. In both of these years the required retention was attained and slightly exceeded in FY02.

Table Nineteen shows that billets in pay grade E4 for the Infantry Rifleman MOS increased by 4.89 percent, and decreased by 9.43 percent for pay grade E5. Although this MOS kept its pyramidal structure, the reduction in billet at the E5 pay grade means the promotion rate at E4 will slow because not as many billets are available at the E5 pay grade. Promotion rate to E4 will increase due to the increase in E4 billets, but then the promotion rate will lower for E5s due to the decrease in E5 billets.<sup>106</sup>

## **3. MOS 0331: Infantry Machine Gunner**

In FY01, the required retention for MOS 0331 was approximately 95 Marines and 110 for FY02. In both years retention was exceeded. In Table Twenty, pay grades E2 and E3 for the Infantry Machine Gunner remain unchanged after the EGSR, but pay grade E4 experienced a 2.38 percent increase in billets. Furthermore, it had a 5.23 percent decrease in E5 billets. Marines in this MOS will experience the same promotion rate fluctuations as Marines in MOS 0311.<sup>107</sup>

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<sup>105</sup> Ibid.

<sup>106</sup> Ibid.

<sup>107</sup> Ibid.

#### **4. MOS 0621: Radio Operator**

The required retention goal of approximately 248 Marines for radio operators was achieved in FY01. In FY02 required retention decreased to approximately 240 Marines and the goal was attained without exceeding the required retention.

Pay grade E2 had a 28.31 percent drop in the number of billets, as displayed in Table Twenty-one. Also the structure of E3 and E4 significantly changed. A 19.17 percent decrease occurred in the number of E3 billets and E4 pay grade recorded a 37.20 percent increase. The inverted structure at the E2, E3, and E4 pay grades is unsupportable to Marine Fleet Forces. This inverted shape infers that some Marines will be quickly promoted to E4 then the promotion rate to E5 will lower due to the lesser billets available for E5s.<sup>108</sup>

#### **5. MOS 1371: Combat Engineer**

Required retention for the Combat Engineer MOS in FY01 and FY02 was approximately 102 and 99 Marines, respectively. The required retention for this MOS in FY03 is approximately 100 Marines. As depicted in Table Twenty-two, the inverted grade structure at the E3 and E4 pay grades deems it unsupportable at this manning level. This structure induces quick promotions to E4, but then would be promoted slower than the Marine Corps' average to E5. Also the 55.58 percent in the top six pay grades exceeds the desired 52.2 percent of the Marine Corps.<sup>109</sup> The increase in billets for the E4 pay grade will increase retention and provide motivation for these Marines to continue their service.

#### **6. MOS 2336: Explosive Ordnance Disposal Technician**

The Marine Corps did not attain its required retention goal in FY01 or FY02. It retained approximately 62.5 percent of the required retention in this MOS in FY01 and 88.89 percent in FY02. Since there are no billets required in pay grades E2 through E4, the Explosive Ordnance Disposal Technician MOS must rely on lateral moves to fill its billets. Table Twenty-three shows how the EGSR increased the number of E5 billets by

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<sup>108</sup> Ibid.

<sup>109</sup> Ibid.

6.16 percent; decreased E6 billets by 7.77 percent; decreased E7 billets by 6.35 percent; and decreased E8 billets by 6.90 percent. The increase in billets at the E5 pay grade allows for a more equitable promotion opportunity to exist throughout the 2336 MOS.

#### **7. MOS 2651: Special Intel Communicator**

Actual retention for FY01 and FY02 exceeded the required retention for MOS 2651. Required retention was approximately 17 Marines for FY01 and 18 Marines for FY02. Furthermore, FY03 required retention is approximately 22 Marines.

As shown in Table Twenty-four, the Marine Corps saw a 3.64 percent increase in billets for pay grade E4 after the EGSR and a 7.70 percent decrease in E5 billets. This change shows that more Marines have an opportunity for promotion to E4, but the opportunity lessens when time for promotion arrives. The opportunity for promotion increases again at the E6 and E7 pay grades.<sup>110</sup>

#### **8. MOS 2673: Asian-Pacific Cryptologic Linguist**

In FY01, the Marine Corps retained four out of the required six Marines to attain 66.67 percent of its required retention goal for the Asia-Pacific Cryptologic Linguist MOS. For FY02, the Marine Corps broke even by attaining 100 percent of its required retention.

Table Twenty-five shows how MOS 2673 had an unsupportable inverted pyramid structure at the E3 and E4 pay grades and also at the E4 and E5 pay grades before the EGSR. The Review restructured the MOS so that it now has the ideal pyramidal shape. The EGSR increased the number of E3 billets by 105.88 percent and decreased E5 billets by 41.18 percent. The pyramidal shape allows the opportunity for more equitable promotions throughout this MOS.<sup>111</sup>

#### **9. MOS 2834: Satellite Communications Technician**

The Marine Corps did not attain the number of Marines it needed to reach its FY01 required goal of approximately 22 Marines. Instead it retained approximately

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<sup>110</sup> Ibid.

<sup>111</sup> Ibid.

68.18 percent of that amount. In FY02, the Marine Corps retained 85.71 percent of the required Marines, and in FY03 the retention goal is approximately nine Marines.

There were no changes to the 2834 MOS structure as illustrated in Table Twenty-six. This MOS is structured such that all billets are located in pay grades E5 through E7 and facilitates promotion equity throughout the MOS.<sup>112</sup>

#### **10. MOS 2862: Electronic Maintenance Technician**

The Marine Corps attained approximately 60 percent of its required retention for MOS 2862. Table Twenty-seven shows this MOS does not have billets for pay grades E2 through E4 nor E8 and E9 prior to the EGSR. The total number of billets for MOS 2862 decreased from 719 to 424 (41.03 percent) after the EGSR. Pay grades E5 through E7 was changed. The most drastic change was at the E5 pay grade, which saw a drop from 212 to zero. This structure requires lateral moves into the MOS at the E6 pay grade.<sup>113</sup>

#### **11. MOS 3521: Organizational Truck Mechanic**

FY01 actual-retention exceeded required retention by approximately 2.93 percent, while FY02 actual retention exceeded required retention by approximately 6.06 percent. The Marine Corps must retain 150 Marines for this MOS for FY03. The total number of billets in this MOS remained the same after the EGSR as presented in Table Twenty-eight. Due to the fact that pay grade E4 increased by 36.95 percent and its E2 and E3 pay grades decreased by a combined 26.65 percent, MOS 3521 still possessed an inverted grade structure. Marines in pay grades E2 and E3 will experience quick promotions, but then the promotion rate would fall at E5.<sup>114</sup>

#### **12. MOS 3533: LVS Operator**

For FY01, the Marine Corps exceeded the required retention by approximately 8.33 percent. In FY02, the Marine Corps exceeded the required retention by a slightly lower margin of 4.55 percent. The required retention for FY03 is approximately 66 Marines.

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<sup>112</sup> Ibid.

<sup>113</sup> Ibid.

<sup>114</sup> Ibid.

The EGSR did not change the total number of billets in the 3533 MOS given in Table Twenty-nine, yet it did decrease the number of billets by 25.74 percent and increased E5 billets by 61.54 percent. The post-EGSR of MOS 3533 gives a greater opportunity ratio for promotion to E5.<sup>115</sup>

### **13. MOS 5711: Nuclear, Biological, and Chemical Specialist**

According to ALMAR 196/96, the top six enlisted pay grades are not to exceed 52.2 percent of all billets in the MOS. Initially this MOS had 50.33 percent of its billets in the top six pay grades, but with the EGSR changes to the structure, it exceeded the limit with 59.26 percent.

Table Thirty shows how the EGSR changed the number of billets at each pay grade, yet the most significant change was at the E4 pay grade. At this pay grade the number of billets increased by 43.66 percent. The inverted pyramidal shape at the E2 and E3 pay grades indicates an unsupportable grade structure. The required retention for MOS 5711 in FY01 and FY02 were approximately 31 and 37 Marines, respectively and was exceeded. In FY03, required retention is 42 Marines.<sup>116</sup>

## **D. SUMMARY**

When the EGSR structural change resulted in an increase in E3 and below billets with a simultaneous decrease in E4 and E5 pay grade billets for a particular MOS, SRBs in that MOS should decrease because there are more Marines that are capable of filling the higher pay grade billets. When the EGSR structural change resulted in a decrease in E3 and below billets with a simultaneous increase in E4 and E5 billets for a specific MOS, then SRBs in that specific MOS should increase to entice Marines to reenlist.

In critical MOSs, the multiple would have to increase due to the fact that now more Marines will need to be retained, especially at the lower ranks. As you get into the career force, less SRB is needed because the factor of invested time comes into play on part of the Marines. The more time he/she has invested in the Marine Corps the more likely he/she will remain on active duty. On the contrary, the Marine Corps does not

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<sup>115</sup> Ibid.

<sup>116</sup> Ibid.

want to lose these individuals both because it spent years training them and because it invested time and money as well.

Marines performing duties in MOSs such as 0311, Infantry Rifleman; 0331, Infantry Machine Gunner; or 2336 Explosive Ordnance Technician have relatively low training costs, therefore the Marine Corps would benefit to fill FTAP boatspaces by use of the lateral move program. However, Marines in MOSs 2862, Electronic Maintenance Technician; 2673, Asian-Pacific Cryptologic Linguist; or 2834, Satellite Communications Technicians are expensive to train, therefore the Marine Corps would benefit to offer Marines performing duties in these type of MOSs an SRB for their continuation of active service.

The EGSR restructured the billets of MOS 2673, Asian-Cryptologic Linguist, from an inverted pyramidal shape to a pyramidal shape. In the near future, the grade distribution of this MOS would require an increase in accessions to establish a human resource supply of trained Marines at the E2 and E3 pay grades so that there will be sufficient supply of Marines to fill billets at the E4 and above higher pay grades in that MOS. This will allow for the MOS to be self-supporting and decrease the need for lateral moves into the MOS. The pyramidal shape allows for manpower planners to use the SRB to retain Marines in this MOS vice lateral moves since it is an expensive MOS in which to train Marines. The influx of cash flow to this MOS would shift SRB money from other MOSs thus having to allocate SRB funds among more MOSs. Without an increase to the Marine Corps' budget, allocating funds among more MOSs dilutes SRB funding, which leads to a decrease in retention.

A downturn of the restructure of the Asian-Cryptologic Linguist MOS, is that Marines in these MOSs will experience a delay in promotion to the E5 pay grade in the near future. The allotment of cash flow for SRBs would have to increase because now Marines in this MOS no longer experience the "automatic" promotion they once had in the inverted pyramidal structure. The Marines will now have to compete for a billet in the next higher pay grade, which will create a sense of doubt that they would be promoted.



The retention process is a complicated system with many moving parts that is in constant motion. Any change to one particular “link” in the system undoubtedly affects all others.

**TABLE 13. RETENTION-CRITICAL MOSS AND THEIR FY03 MULTIPLES.**

<b>MOS</b>	<b>MULTIPLES</b>
0211	3
0311	1
0331	1
0621	1
1371	0
2336	3
2651	2
2673	4
2834	3
2862	3
3521	0
3533	0
5711	1

Source: From Retention-critical MOSs provided by MOS Concerns Brief by Lieutenant Colonel Diehl, Major Bicknell, and Major Grant, Headquarters, Marine Corps.

\*Multiples provided by MCBUL 7220 Multiples for FY03 SRB Program.

**TABLE 14. SGFR INTERPRETATION**

<b>SGFR</b>	<b>Interpretation</b>
0.3	Takes three E4 requirements to make one E5 requirement
0.5	Takes two E4 requirements to make one E5 requirement
1	Takes one E4 requirement to make one E5 requirement
2	Takes one E4 requirement to make two E5 requirement

Source: From CG, MCCDC Brief. "Total Force O/EGSR August 2002-February 2003." 12 August 2002.

**TABLE 15. PRE-EGSR NUMBER OF SGFRS OUTSIDE NORMAL PARAMETERS BY PAY GRADE**

	<b>E4</b>	<b>E5</b>	<b>E6</b>	<b>E7</b>	<b>E8</b>	<b>E9</b>	<b>Total</b>
<b>SGFR &gt; 1</b>	18	14	5	2	0	0	39
<b>Above Maximum SGFR</b>	40	90	111	34	4	29	308
<b>Below Minimum SGFR</b>	102	17	4	22	35	12	192

Source: From Final O/EGSR Results for Marine Forces. Excel Spreadsheet. Headquarters, Marine Corps Spreadsheet. November 20, 2002.

**TABLE 16. POST-O/EGSR NUMBER OF SGFRS OUTSIDE NORMAL PARAMETERS BY PAY GRADE**

	<b>E4</b>	<b>E5</b>	<b>E6</b>	<b>E7</b>	<b>E8</b>	<b>E9</b>	<b>Total</b>
<b>SGFR &gt; 1</b>	1	1	0	0	0	0	2
<b>Above Maximum SGFR</b>	16	34	56	25	6	22	159
<b>Below Minimum SGFR</b>	23	10	2	16	5	2	58

Source: From Final O/EGSR Results for Marine Forces. Excel Spreadsheet. Headquarters, Marine Corps Spreadsheet. November 20, 2002.

**TABLE 17. POST-O/EGSR PERCENT DECREASE OF SGFRS OUTSIDE  
NORMAL PARAMETERS BY PAY GRADE**

	<b>E4</b>	<b>E5</b>	<b>E6</b>	<b>E7</b>	<b>E8</b>	<b>E9</b>	<b>TOTAL</b>
<b>SGFR &gt; 1</b>	94.44	92.86	100.00	100.00	N/C	N/C	94.87
<b>Above Maximum SGFR</b>	60.00	62.22	49.55	26.47	*50.00	24.14	48.38
<b>Below Minimum SGFR</b>	77.45	41.18	50.00	27.27	85.71	83.33	69.79

Source: Final O/EGSR Results for Marine Forces. Excel Spreadsheet. Headquarters, Marine Corps Spreadsheet. November 20, 2002. Note:  
(\*) Denotes an increase.

**TABLE 18. MOS 0211: COUNTERINTELLIGENCE SPECIALIST**

	<b>E2</b>	<b>E3</b>	<b>E4</b>	<b>E5</b>	<b>E6</b>	<b>E7</b>	<b>E8</b>	<b>E9</b>
<b>Pre-EGSR</b>	0	0	0	184	120	80	17	0
<b>SGFR</b>					.652	.667	.213	
<b>Post-EGSR</b>	0	0	0	184	120	79	18	0
<b>SGFR</b>					.652	.658	.228	

Source: Headquarters, Marine Corps

**TABLE 19. MOS 0311: INFANTRY RIFLEMAN**

	<b>E2</b>	<b>E3</b>	<b>E4</b>	<b>E5</b>	<b>E6</b>	<b>E7</b>	<b>E8</b>	<b>E9</b>
<b>Pre-EGSR</b>	3817	5056	2617	1623	0	0	0	0
<b>SGFR</b>			.295	.620				
<b>Post-EGSR</b>	3817	5056	2745	1470	0	0	0	0
<b>SGFR</b>			.309	.536				

Source: Headquarters, Marine Corps

**TABLE 20. MOS 0331: INFANTRY MACHINE GUNNER**

	<b>E2</b>	<b>E3</b>	<b>E4</b>	<b>E5</b>	<b>E6</b>	<b>E7</b>	<b>E8</b>	<b>E9</b>
<b>Pre-EGSR</b>	744	771	587	344	0	0	0	0
<b>SGFR</b>			.387	.586				
<b>Post-EGSR</b>	744	771	601	326	0	0	0	0
<b>SGFR</b>			.397	.542				

Source: Headquarters, Marine Corps

**TABLE 21. MOS 0621: RADIO OPERATOR**

	<b>E2</b>	<b>E3</b>	<b>E4</b>	<b>E5</b>	<b>E6</b>	<b>E7</b>	<b>E8</b>	<b>E9</b>
<b>Pre-EGSR</b>	1074	1586	1121	783	0	0	0	0
<b>SGFR</b>			.421	.698				
<b>Post-EGSR</b>	770	1282	1538	974	0	0	0	0
<b>SGFR</b>			.750	.633				

Source: Headquarters, Marine Corps

**TABLE 22. MOS 1371: COMBAT ENGINEER**

	<b>E2</b>	<b>E3</b>	<b>E4</b>	<b>E5</b>	<b>E6</b>	<b>E7</b>	<b>E8</b>	<b>E9</b>
<b>Pre-EGSR</b>	741	591	502	362	152	129	49	18
<b>SGFR</b>			.377	.721	.420	.849	.380	.367
<b>Post-EGSR</b>	946	184	678	386	170	111	52	17
<b>SGFR</b>			.600	.569	.440	.653	.468	.327

Source: Headquarters, Marine Corps

**TABLE 23. MOS 2336: EXPLOSIVE ORDNANCE DISPOSAL TECHNICIAN**

	<b>E2</b>	<b>E3</b>	<b>E4</b>	<b>E5</b>	<b>E6</b>	<b>E7</b>	<b>E8</b>	<b>E9</b>
<b>Pre-EGSR</b>	0	0	0	146	90	63	29	10
<b>SGFR</b>					.616	.700	.460	.345
<b>Post-EGSR</b>	0	0	0	155	83	59	31	10
<b>SGFR</b>					.535	.711	.525	.323

Source: Headquarters, Marine Corps

**TABLE 24. MOS 2651: SPECIAL INTEL COMMUNICATOR**

	<b>E2</b>	<b>E3</b>	<b>E4</b>	<b>E5</b>	<b>E6</b>	<b>E7</b>	<b>E8</b>	<b>E9</b>
<b>Pre-EGSR</b>	0	143	110	91	43	21	9	3
<b>SGFR</b>			.769	.827	.473	.488	.429	.333
<b>Post-EGSR</b>	0	143	114	84	44	23	9	3
<b>SGFR</b>			.797	.737	.524	.523	.391	.333

Source: Headquarters, Marine Corps

**TABLE 25. MOS 2673: ASIAN-PACIFIC CRYPTOLOGIC LINGUIST**

	<b>E2</b>	<b>E3</b>	<b>E4</b>	<b>E5</b>	<b>E6</b>	<b>E7</b>	<b>E8</b>	<b>E9</b>
<b>Pre-EGSR</b>	0	17	27	34	14	8	0	0
<b>SGFR</b>			1.588	1.259	.412	.571		
<b>Post-EGSR</b>	0	35	28	20	10	7	0	0
<b>SGFR</b>			.800	.714	.500	.700		

Source: Headquarters, Marine Corps

**TABLE 26. MOS 2834: SATELLITE COMMUNICATIONS TECHNICIAN**

	<b>E2</b>	<b>E3</b>	<b>E4</b>	<b>E5</b>	<b>E6</b>	<b>E7</b>	<b>E8</b>	<b>E9</b>
<b>Pre-EGSR</b>	0	0	0	67	31	22	0	0
<b>SGFR</b>					.463	.710		
<b>Post-EGSR</b>	0	0	0	67	31	22	0	0
<b>SGFR</b>					.463	.710		

Source: Headquarters, Marine Corps

**TABLE 27. MOS 2862: ELECTRONIC MAINTENANCE TECHNICIAN**

	<b>E2</b>	<b>E3</b>	<b>E4</b>	<b>E5</b>	<b>E6</b>	<b>E7</b>	<b>E8</b>	<b>E9</b>
<b>Pre-EGSR</b>	0	0	0	212	318	189	0	0
<b>SGFR</b>					1.500	.594		
<b>Post-EGSR</b>	0	0	0	0	252	172	0	0
<b>SGFR</b>						.683		

Source: Headquarters, Marine Corps

**TABLE 28. MOS 3521: ORGANIZATIONAL TRUCK MECHANIC**

	<b>E2</b>	<b>E3</b>	<b>E4</b>	<b>E5</b>	<b>E6</b>	<b>E7</b>	<b>E8</b>	<b>E9</b>
<b>Pre-EGSR</b>	646	1236	793	631	0	0	0	0
<b>SGFR</b>			.421	.796				
<b>Post-EGSR</b>	634	852	1086	734	0	0	0	0
<b>SGFR</b>			.731	.676				

Source: Headquarters, Marine Corps

**TABLE 29. MOS 3533: LVS OPERATOR**

	<b>E2</b>	<b>E3</b>	<b>E4</b>	<b>E5</b>	<b>E6</b>	<b>E7</b>	<b>E8</b>	<b>E9</b>
<b>Pre-EGSR</b>	222	858	404	169	0	0	0	0
<b>SGFR</b>			.374	.418				
<b>Post-EGSR</b>	222	858	300	273	0	0	0	0
<b>SGFR</b>			.278	.910				

Source: Headquarters, Marine Corps

**TABLE 30. MOS 5711: NUCLEAR, BIOLOGICAL, AND CHEMICAL SPECIALIST**

	<b>E2</b>	<b>E3</b>	<b>E4</b>	<b>E5</b>	<b>E6</b>	<b>E7</b>	<b>E8</b>	<b>E9</b>
<b>Pre-EGSR</b>	65	313	142	116	61	44	15	5
<b>SGFR</b>			.376	.817	.526	.721	.341	.333
<b>Post-EGSR</b>	33	277	204	122	63	39	17	6
<b>SGFR</b>			.658	.598	.516	.619	.436	.353

Source: Headquarters, Marine Corps

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## **V. CONCLUSIONS AND RECOMMENDATIONS**

The increase of FTAP billets each year is essentially an increase in labor cost (wage increase). As the number of required first-term enlisted servicemembers increase, so does labor cost. The Marine Corps' budget must also increase in order to accommodate this increase in labor costs. If the budget remains relatively the same and the required number of first-termers continues to increase, then less labor will be demanded causing a decrease in the number of Marines. As the wage increases, less labor is demanded "overall" which will reduce the number of Marines in the Marine Corps because the limited budget will not allow an increase in career force numbers. The result is that Marines will have to either do more with less number of Marines or find a substitute such as technology to replace the void of personnel.

The grade structure of enlisted billets has a more profound affect on the retention of Marines than does the skill grade flow rate. Grade structure ultimately determines how many Marines can be promoted to the next pay grade, yet the skill grade flow rate tells how many Marines are required in one pay grade to fill one billet in the next pay grade. Therefore, the more Marines that are required at the lower rank, the lower the percentage of Marines that are promoted. The First-Term Alignment Plan provides an incentive to keep those Marines that the Marine Corps considers important to the mission.

My prior hypothesis is that since the EGSR changed some of the grade structures from inverted to the normal pyramidal shape, the review has a positive impact on FTAP. The positive impact is increased retention, saving money for the Marine Corps, and more equitable promotions among the Marine Corps' military occupational specialties.

Retention will increase due to more equitable promotions among all MOSs. Marines in the old "slow" promoting MOSs are more likely to remain on active duty because they no longer feel as though they are not progressing (career-wise) as their peers who are in "faster" promoting MOSs.

The Marine Corps saves money by not offering large numbers of SRB bonuses and spending money on retraining from within the Marine Corps. Marines feel their promotions are fair which contributes to a high retention rate. Therefore, leading to a decrease in the need for the Marine Corps to offer SRB bonuses. Although it will not

eliminate the need to pay Marines bonuses, it can lead to a decrease. More equitable promotions will occur since the Marine Corps will have more MOSs with the “standard” pyramidal shape. The logical pyramidal shape is a better fit for facilitating promotions.

One would think that if the desire of the Marine Corps is to have MOSs with pyramidal shapes, then the SGFR should decrease as you move up in pay grade. It does not work that way. The pyramidal shape is looking at the number of billets in a pay grade. The SGFR is an underlying premise of how to construct that number. Different factors come into play when obtaining the SGFR. Factors such as the civilian sector “pull” on Marines in high skilled MOSs, the job may become more challenging as rank increases, therefore more bodies are needed at lower pay grades to fill the higher pay grades.

Also the longer Marines stay in, the less likely it is that they will leave. Therefore, this is an individual that is not leaving the Marine Corps, so the Marine Corps does not need the “multiple human resource” at the immediate lower rank to replace this individual. But the Marine Corps does need to start training those Marines that are two or three pay grades below in order to replace those who are near retirement.

## **A. STRENGTHS AND WEAKNESSES OF EGSR AND THE FTAP PROCESS**

### **1. Strengths**

- The Marine Corps allotted itself a buffer as far as the amount of Marines it retains over the planned FTAP boatspaces. This buffer is called the Quality Reenlistment Program. Marines who are in excess of the projected number of boatspaces will be placed in a billet.
- The FTAP model is a valuable tool that provides Marine Corps planners a concrete number of reenlistees in which the Marine Corps needs to retain. From this number, it is up to the planner, along with recruiting forces to obtain this number without exceeding it.

### **2. Weaknesses**

- FTAP reenlists in excess of the planned projected number of first-termers. There is no guarantee that the actual number of reenlistees will match the projected number of FTAP boatspaces. Each year the Marine Corps reenlisted an excess of the planned FTAP boatspaces cause the Marine Corps to pay for extra bodies. Since the

Marine Corps' budget does not increase, these funds must come from other budgets such as SRB funds.

- Manpower planners and enlisted monitors “negotiate” as to which billets Marines are to fill.

- The FTAP model used is eleven years old. Although it is working properly in regards to projecting first-term alignment plan reenlistment numbers, economic factors have changed since the institution of the model in 1992.

## **B. RECOMMENDATIONS**

The process seems to be in a constant state of needing an adjustment. The process has a systematic approach to achieving the required number of first-term reenlistments, which is proven by the accomplishment of first-term goal each year. The Marine Corps must ensure to utilize the process to maintain a balance between the needs of the Marines Corps without retaining too many Marines.

The EGSR should be held approximately every four to six years. This will allow the Marine Corps to implement any changes the Review made and analyze the effects the changes had on retention. Four to six years also allow planners to record the effects on operational supportability.

## **C. AREAS FOR FUTURE RESEARCH**

The current FTAP model is eleven years old. Economic factors have changed since the implementation of the model in 1992. For instance, technology was not created at the fast pace as it is today. The validity of the CNA model should be studied in order to verify that it is still the most effective method of determining the required number first-term reenlistees.

A quantitative analysis should be done to measure the quantitative effects the Officer/Enlisted Grade Structure Review has on the First-Term Alignment Plan retention requirements. The analysis should concentrate on inserting the data outcome of the O/EGSR into a mock Grade Adjustment Recapitulation (GAR).

During the course of this study, the topic of retention of second-term Marines arose. While attrition is low for second-term Marines, many on their second enlistment tour do not seek a second reenlistment. The Subsequent Term Alignment Plan (STAP) is provides a monetary incentive in the form of a bonus, to Marines who are approaching the end of their second tour of duty. Although the STAP is a relatively new retention tool, a study can be performed on what factors are creating the low reenlistment at the second reenlistment point.

The EGSR determines, by MOS, the number of billets in each pay grade. Based upon the career force structure requirements and estimated inventory, the FTAP is a fiscal year manpower plan that specifies the number of first term Marines by primary MOS (PMOS) the Marine Corps must reenlist to become part of the career force. Each year since the inception of the FTAP, the Marine Corps has experienced a minor rise in the number of first term Marines to be retained for transition into the career force. As the career force increases in size relative to the total force, the Marine Corps must not only increase its Manpower budget, but also examine the implications of an older and potentially less mobile force.

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